



**SOMA**  
**PAPERS**  
AND INDUSTRIES LIMITED

# 23<sup>RD</sup> ANNUAL REPORT 2013-14

## BOARD OF DIRECTORS

G. S. MANASWALA  
K. G. GUPTA  
VIKRAM SOMANI  
BHARAT SOMANI  
- Executive Director

**BANKERS -**  
Bank of India

**AUDITORS -**  
Jain Maheshwary & Co.  
Mumbai

**REGISTERED OFFICE -**  
G. D. Somani Marg, Panchak,  
Nashik Road – 422101

**HEAD OFFICE -**  
3<sup>rd</sup> Floor,  
Indian Mercantile Chambers,  
14, R. Kamani Marg,  
Ballard Estate,  
Mumbai – 400001  
Mail : contactus@somapapers.in  
Web : <http://www.somapapers.in>  
CIN : L21093MH1991PLC064085  
PAN : AAACS6835Q  
ISIN : INE737E01011

**REGISTRAR & TRANSFER AGENTS-**  
**Adroit Corporate Services Pvt Ltd**  
16/1920, Jafferbhoy Ind Estate, Makwana  
Marg, Marol Naka, Andheri(E),  
Mumbai – 400 059  
Tel : 28594060/28596060  
Fax : 28503748  
Email : info@adroitcorporate.com

## NOTICE

### TO THE MEMBERS

Notice is hereby given that the Twenty Third Annual General meeting of the members of Soma Papers & Industries Limited will be held at the registered office of the company at G.D. Somani Marg, Panchak, Nasik Road –422101 on 28<sup>th</sup> August, 2014 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited annual accounts of the company for the year ended on 31<sup>st</sup> March, 2014 and the reports of the board of directors and auditors thereon.
2. To appoint a director in place of G.S. Manaswala (DIN 01267114) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri K. G. Gupta (DIN 00997067) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors of the company to hold office up to the conclusion of the next annual general meeting and to fix their remuneration and if thought fit, to pass with or without modification, the following resolution as special resolution.

“Resolved that M/s Dharmesh Shah & Company, Chartered Accountants, be and are hereby appointed auditors of the company to hold office up to the conclusion of the next annual general meeting on such remuneration as may be fixed by the board of directors of the company exclusive of travelling and other out of pocket expenses.”

By order of the Board of Directors

Mumbai  
31<sup>st</sup> May, 2014

**BHARAT SOMANI**  
(DIN 00286793)  
**EXECUTIVE DIRECTOR**

### NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.
2. The register of members and share transfer books of the company will remain closed on 21.08.2014 to 26.08.2014 (Both days inclusive).

## DIRECTORS' REPORT

### TO THE MEMBERS

Your directors are pleased to present their Twenty Third annual report together with audited statement of accounts, for the year ended March 31, 2014.

### OPERATIONS

Your company had to stop its manufacturing activities w.e.f. August 4, 2004, as the same had become totally unviable. It has incurred Loss of Rs. 12.41 Lac during the year under review as against Loss of Rs. 16.61 Lac in the previous year. The balance in the Profit & Loss Account, being loss of Rs. 831.98 Lac has been carried to the Balance Sheet.

### DIVIDEND

It is not possible to recommend payment of Dividend for the year ended March 31, 2014 in view of operational and closure losses incurred by the company for the said year.

### SUBSIDIARY COMPANY

The audited accounts and other particulars of your subsidiary company M/S VECRON INDUSTRIES LTD. for the year ended March 31,2014 are attached herewith as required under section 212 of the Companies Act, 1956.

### DIRECTORS

Shri G.S. Manasawala, Director (DIN:01267114) retires by rotation and being eligible offers himself for reappointment.

Shri K.G.Gupta, Director (DIN:00997067), retires by rotation and being eligible offers himself for reappointment.

### PUBLIC DEPOSITS

The company has not accepted/invited any amounts of deposits from public during the year under review and hence does not hold such deposits on March 31,2014.

### AUDITORS

M/S Jain Maheshwary & Company, Mumbai, who hold office as auditors of your company up to the conclusion of the ensuing Annual General. They have expressed their inability to continue as Auditors for forthcoming year due to threshold limit of audits. We have received a notice from a shareholder to appoint M/s .Dharmesh Shah & Co as statutory auditors. You are requested to appoint them.

### AUDITORS REPORT - DIRECTORS COMMENTS

In view of continues past losses sustained by the company and it being very difficult to revive manufacturing operations, your directors had no other option except to close down the factory. Hence the auditor's qualifications are matters of facts.

1. Regarding non-provision of interest on sales tax loan from SICOM Ltd., your directors want to present that as per the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) all secured liabilities have to be cleared from receipt of amount by auction. Hence, no further provision on account of interest has been made in the books.
2. Regarding direct disbursement of funds by bank on our behalf out of auction proceeds, we were able to get some information. Yet at best these figures have to be considered as tentative since no details have been given to us by bank. Further, we inform that bank has never consulted us about disbursement made for labour payments or payment to the Maharashtra State Electricity Board (MSEB), (an unsecured creditor).
3. As mentioned above, MSEB dues have been settled by bank.
4. Regarding unsecured creditors M/s. I. B. Enterprises, bank has settled the claim directly without any consent or agreement of the Company.
5. Regarding Bank liabilities, Bank has not provided any details regarding how bank liabilities has been settled by bank themselves.
6. The ensuing case before the Debts Recovery Appellate Tribunal (DRAT) at Mumbai has resulted in the Honorable Judge passing an Order setting aside the sale of movable and immovable assets by Bank of India owned by the Company. However, the alleged purchaser has appealed to the higher court and the case is now pending before the Bombay High Court.

**DIRECTORS RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956 the directors would like to state

1. that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent and so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year under review;
3. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. that the directors had prepared the annual accounts on a going concern basis pending proper valuation of company's assets.

**ENERGY CONSERVATION ETC**

The particulars for energy conservation etc. are nil in view of closure to company's activities from August 4, 2004.

**PARTICULARS OF EMPLOYEES**

The particulars of employees, as required under section 217 (2A) of the Companies Act, 1956, are Nil.

**DIRECTORS REMUNERATION**

The directors have taken remuneration if any, during the last year has been detailed in Statement of Affairs.

**COMPLIANCE CERTIFICATE**

The compliance certificate pursuant to Sub-section (1) of Section 383A of the Companies Act, 1956 issued by the Companies Secretaries, M/s GMJ & ASSOCIATES is annexed hereto and forms part of this report.

By order of the board of directors

Mumbai, May 31, 2014

BHARAT SOMANI  
(DIN 00286793)  
Executive Director

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**MANAGEMENT DISCUSSION AND ANALYSIS**

**INDUSTRY STRUCTURE & DEVELOPMENT:**

The company was engaged in manufacturing coated papers since its inception at Nashik.

**OVERVIEW**

Your company had to stop its manufacturing activities w.e.f. August 4, 2004, as the same had become totally unviable due to severe shortage of some raw materials, labour problem, adverse domestic market condition, increasing cost of raw materials and abandonment of import restrictions.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has adequate internal control procedures to commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The internal control system provide for well-documented policies, guidelines, authorizations and approval procedures and statutory requirements.

**PERFORMANCE**

The company is exploring scope of trading in papers as the activity of manufacturing is stopped.

**HUMAN RESOURCE MANAGEMENT**

The relationship with employees in the Company continues to be cordial. We strongly encourage all aspects of self-development.

For and on behalf of the Board

(BHARAT SOMANI)  
(DIN 00286793)  
Executive Director  
Mumbai, May 31, 2014

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance which has become the integral part of business operations encompasses the key elements such as integrity, transparency, fairness, and adoption of highest standards of business ethics to benefit the interest of the stakeholders. The Company has been practicing the principles of good Corporate Governance by adopting best global practices for corporate governance, disclosure standards while protecting the interests of stakeholders in every business decision. The Company endeavor to achieve high level of transparency, integrity and equity in all its operations, monitors continuously the developments in the areas of Corporate Governance to meet stakeholders aspirations and societal expectations.

### 2. BOARD OF DIRECTORS

#### a. Composition

Company is managed by the Board of Directors, which formulates strategies, policies, and procedures and reviews its performance periodically. The Chairman, Mr. Bharat Somani is the Whole time Director of the Company and the only Executive Director on the Board. Mr. Vikram Somani is the Whole time Director of the Company. The business of the Company is carried on by the Managing Director under the overall supervision and control of the Board of Directors. There was no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review.

#### b. The composition of Board and attendance of Directors:

Names	Status	Attendance in Board Meetings		Attendance in last AGM held on 28/06/13	Other Directorships	Committee Members (Chairman)
		Held	Yes/No			
Bharat Somani	Chairman Whole Time Director	4	4	Yes	6	-
Vikram Somani	Director	4	4	Yes	8	-
Govindlal Manasawala	Director	4	4	No	2	-
K G Gupta	Director	4	4	Yes	2	-

#### c. Number of Board meetings

The Board Meetings are held at least four times a year one for each quarter. Board of Directors met 5 times during the year 2013-14 viz, 31st May, 2013, 31st July, 2013, 28th October, 2013 and 31st January, 2014. The intervene period between two Board meetings was well within the maximum gap of four months as prescribed under Clause-49. The annual calendar of meetings is broadly determined at the beginning of each year.

#### d. Board Agenda

The meetings are governed by a structured Agenda. All Agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated well in advance to the Board Members. The governance include an effective post meeting follow-up, review and reporting process for action taken/pending on the decisions of the Board and the Committees.

### 3. COMMITTEES OF THE BOARD

The Board has constituted audit committee for smooth and efficient operation of the Company. The terms of reference of the Committees are laid down by the Board from time to time. Meetings of each Board Committees are convened by the Chairman of the respective Committees. The minutes of the meetings of the Committee are placed before the subsequent meeting of the Board. The role, composition of the Committees and other information of the few Committees are provided below:

#### AUDIT COMMITTEE

The Audit Committee primarily oversees the Company's financial reporting process and disclosure of its financial information to ensure the correctness and adequacy. The Committee provides reassurance to the Board on the existence of effective internal control system.

**Terms of Reference**

- Overseeing of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Discussion with internal auditors any significant findings and follow up there on.

**Composition**

The Audit Committee comprises 3 members, all being Non-executive Directors of which 2 are independent. All members of Audit Committee have sound financial management expertise. During the year, the Committee met on four occasions on 22nd April, 2010, 28th August, 2010, 16th November 2010 & 18th January’ 2011.

<b>Attendance Name</b>	<b>Meetings held</b>	<b>Meetings attended</b>
Govindlal Manasawala	4	4
Vikram Somani	4	4
Krishnagopal Gupta	4	4

**SHAREHOLDERS GRIEVANCES COMMITTEE:**

The Scope of the Committee is to look in to the matter of share holders’ grievances in respect of share transfer, transmission, and other related matter.

<b>Attendance Name</b>	<b>Meetings held</b>	<b>Meetings attended</b>
Vikram Somani	4	4
Govindlal Manasawala	4	4
K G Gupta	4	4

**4. GENERAL BODY MEETING**

**Details of past three Annual General Meetings:**

<b>Year</b>	<b>Date</b>	<b>Time</b>	<b>Special Resolutions passed</b>
2010-11	28th September 11	11.00 pm	None
2011-12	28th September 12	11.00 am	None
2012-13	28th June 13	11.00 am	None

**5. DISCLOSURES**

Related party transactions during the year have been disclosed in the annual report elsewhere as required under Accounting Standard-18 issued by the Institute of Chartered Accountants of India. There has been no non-compliance by the Company or penalty or strictures imposed on the Company by the Stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the Accounts

**6. MEANS OF COMMUNICATION**

The Financial results of the Company are published in national and local daily newspapers.

**7. GENERAL SHAREHOLDER INFORMATION**

**1. Registered Office of the Company**

G.D Somani Marg, Panchak,  
Nashik Road-422101

**2. Forthcoming Annual General Meeting**

Thursday, August 28, 2014

**3. Financial Calendar -2014-15 (Proposed)**

First quarter results	July 2014
Annual General Meeting	June 2014
Second quarter results	October 2014
Third quarter results	January 2015
Fourth quarter and Annual results	April 2015

**4. Book Closure Dates**

21.08.2014 to 26.08.2014 (both days inclusive)

**5. Listing on Stock Exchanges**

The shares of the Company are listed on Bombay Stock Exchanges.

**6. Stock Code**

Stock Exchange	Stock Code
Bombay Stock Exchange Limited P. J. Towers, Dalal Street, Mumbai - 400 001.	516038

**7. Depository Connectivity**

National Securities Depository Limited (NSDL)	ISIN No : INE737E01011
Central Depository Services (India) Limited (CDSL)	ISSUER ID: 4132

**8. Share Transfer System**

As per the directions of SEBI, the Company immediately on transfer of shares sends letters to the investors, in the prescribed format, informing them about the simultaneous transfer and dematerialization option available for the shares transferred in their names.

**9. CATEGORIES OF SHAREOWNERS AS ON 31/03/2014**

Category	No. of Share owners	No. of Shares Held	Voting Strength (%)
Promoters, Relatives/ Associates	08	6,94,130	49.50
Bodies Corporate (Domestic)	50	1,12,409	8.02
Banks, Mutual Funds & Financial Institutions	09	95,694	6.84
Foreign Institutional Investors (FIIs)	-	-	-
NRI /OCBs/ Foreign Nationals	07	6,377	0.45
Clearing Member, Trust, Resident (Public & others)	2049	4,93,270	35.19
<b>Total</b>	<b>2123</b>	<b>14,02,150</b>	<b>100.00</b>

**10. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

Certificate from the Practicing Company Secretary, M/s GMJ & Associates, Mumbai, confirming compliance certificate with the conditions of corporate governance, as stipulated under clause 49 of the listing agreement, forms part of the Annual Report.

**11. ADDRESS FOR COMMUNICATION -**

Indian Mercantile Chambers, 3rd Floor,14, R. Kamani Marg, Ballard Estate, Mumbai 400001

**REGISTRARS AND SHARE TRANSFER AGENTS**

**Adroit Corporate Services Pvt Ltd.**

16/1920, Jafferbhoy Ind Estate, Makwana Marg, Marol Naka, Andheri (E), Mumbai 400 059

**CHIEF EXECUTIVE OFFICER and/or  
CHIEF FINANCIAL OFFICER'S CERTIFICATION**

To,  
The Board of Directors of Soma Papers and Industries Ltd.

I, Bharat Somani, Whole Time Director of Soma Papers and Industries Ltd. to the best of my knowledge and belief certify that

1. review of financial statements and the cash flow statement for the year ended 31/03/14 had been done and that to the best of their knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. they accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there are no deficiencies in the design or operation of internal control.
4. they have indicated to the Auditors and the Audit Committee, that there are no
  - i. significant changes in internal control during the year
  - ii. significant changes in accounting policies during the year
  - iii. instances of significant fraud of which they become aware of or the involvement therein, if any, by the management or an employee having a significant role in the company's internal control system.

For and on behalf of the Board

**(BHARAT SOMANI)**  
(DIN 00286793)  
Executive Director  
Mumbai, May 31,2014

**Information required u/c 49 VI A of the Listing Agreement**

The particulars of Directors who are proposed to be reappointed at the ensuing AGM are given below pursuant to Clause 49 of the Listing Agreement:

<b>Name of Director</b>	<b>Shri G.S. Manasawala</b>	<b>Shri K.G.Gupta</b>
Date of Birth	15/07/1930	07/10/1939
Date of Appointment	15/10/1992	30/10/2002
Qualification	LL. B.	M. Com., FCS
Expertise in specific functional areas	Have exposure in legal matters	Have exposure and experience in paper industry and management.
Other Companies in which Directorship held	1 Sambhav Engineers Private Limited 2 Taparia Tools Limited	1 Krishumitra Paper & Chemicals Pvt Ltd 2 Vecron Industries Limited
Other Public Companies in which membership of Committees of Directors held	None	None
No of shares held as on 31-3-2014	Nil	1,150 shares



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE  
TO THE MEMBERS OF SOMA PAPERS AND INDUSTRIES LTD.**

We have examined the compliance of conditions of Corporate Governance of Soma Papers and Industries Ltd. ("the Company"), for the year ended on 31 March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jain Maheshwary & Co.  
Chartered Accountants

Sd/-  
Dharmesh Shah  
Partner  
May 31, 2014  
Membership No. 106620

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**DECLARATION ON CODE OF CONDUCT**

To,  
The Members of Soma Papers & Industries Ltd.

This is to confirm that Board has laid down a code of conduct for all Board members and senior management of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company as at March 31, 2014, as envisaged in Clause 49 in the listing Agreement with stock exchanges.

For and on behalf of the Board

**(BHARAT SOMANI)**  
(DIN 00286793)  
Executive Director  
Mumbai, May 31, 2014

**COMPLIANCE CERTIFICATE**

(Under Proviso to Sub-Section (1) of Section 383 A of the Companies Act, 1956)

**Registration No. : 11-064085 of 1991**

**Nominal Capital : Rs. 5,00,00,000/-**

**Paid-up Capital : Rs. 1,40,21,500/-**

To

The Members,

**SOMA PAPERS AND INDUSTRIES LIMITED**

We have examined the registers, records, books and papers of **SOMA PAPERS AND INDUSTRIES LIMITED** having its registered office at G. D. Somani Marg, Panchak, Nashik Road, Nashik – 422 101 as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31<sup>st</sup> March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

01. the company has kept and maintained all registers as stated in Annexure "A" to this certificate as per the provisions and the rules made there under and all entries therein have been duly recorded.
02. the company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Ministry of Corporate Affairs within the time prescribed under the Act and the rules made there under.
03. the company is a public limited company and hence comments are not required.
04. the Board of Directors duly met 4 times on 31st May, 2013, 31st July, 2012, 31st July, 2013, 28th October, 2013 and 31st January, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
05. the company has closed its Register of Members from 22nd June, 2013 to 26th June, 2013 and has complied with the provisions of the Act.
06. the Annual General Meeting for the financial year ended on 31st March, 2013 was held on 28th June, 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
07. no extra ordinary general meeting was held during the financial year under scrutiny.
08. the provisions of Section 295 relating to Loans to Director under the Companies Act, 1956 was applicable to the Company till 11.09.2013. Thereafter the provisions of Section 185 of the Companies Act, 2013 were made applicable with effect from 12.09.2013. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred as per the provisions of the Act.
09. no contracts were entered during the year attracting the provisions of Section 297 of the Act.
10. the co. was not required to make any entries in the register maintained under Section 301 of the Act.
11. as there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. the company has not issued any duplicate share certificates during the financial year under scrutiny.
13. the company has :
  - i. delivered all the certificates on lodgment thereof for transfer in accordance with the provs of the Act.
  - ii. not deposited any amount in a separate Bank A/c as no dividend was declared during the fin. year.
  - iii. not posted warrants to any member of the co as no dividend was declared during the fin. year.
  - iv. no amts unpaid in dividend account, applin money due for refund, matured deposits, matured debentures and the int. accrued thereon which have remained unclaimed or unpaid for a year of seven years and hence transferring of the same to the Investor Education and Protection Fund does not arise.
  - v. duly complied with the requirements of Section 217 of the Act
14. the Board of Directors of the company is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year under scrutiny.
15. the company has not appointed any Managing Director or Whole-time Director during the financial year under scrutiny.
16. the company has not appointed any sole-selling agents during the financial year under scrutiny.
17. the company was not required to obtain any approvals of the Central Government, Co. Law Board, Regnl. Director, Registrar or such other authorities prescribed under the various provisions of the Act.
18. the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. the company has not issued any shares/debentures/other securities during the financial year.
20. the company has not bought back any shares during the financial year under scrutiny.
21. the company has not issued any preference shares/debentures and hence there is no question of redemption of the same.

22. during the year there was no need for the company to keep in abeyance rights to dividend, rights shares and bonus shares.
23. the company has not invited/accepted any deposits falling within the purview of Section 58A during the financial year under scrutiny.
24. the company has not borrowed any sum during financial year under scrutiny.
25. the company has made investments in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. However the company has given guarantee to others for taking loans from Banks or Financial Institutions.
26. the company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. the company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
28. the company has not altered the provisions of the Memorandum of Association with respect to name of the company during the year under scrutiny.
29. the company has not altered the provisions of the Memorandum of Association with respect to share capital of the company during the year under scrutiny.
30. the company has not altered its Articles of Association during the year under scrutiny.
31. there was no prosecution initiated against or show cause notice received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for the offences under the Act.
32. the company has not received any sum from its employees during the year under scrutiny.
33. the provisions of Section 418 of the Act are not applicable to the co. during the year under scrutiny.

For **GMJ & ASSOCIATES**  
**COMPANY SECRETARIES**  
Sd/-  
(**ALKA MODI**)  
**PARTNER**  
**C.P. NO. 5419**

**PLACE: MUMBAI**  
**DATE: 31<sup>st</sup> May, 2014**

**Reg.: SOMA PAPERS AND INDUSTRIES LIMITED**  
**Registration No. : 11-064085 of 1991**  
**Nominal Capital: Rs. 5,00,00,000/-**  
**Paid-up Capital: Rs. 1,40,21,500/-**

### **Annexure A**

#### **Registers as maintained by the Company**

1. Register of Members U/S. 150.
2. Attendance Register for General Meeting U/S. 174.
3. Minutes Books of General Meetings and Board Meetings U/S. 193.
4. Attendance Register for Board Meetings U/S. 287.
5. Register of Contracts U/S. 301.
6. Register of Directors U/S. 303.
7. Register of Directors Shareholding U/S. 307.
8. Books of Accounts U/S. 209.
9. Register of Charges U/S. 143.
10. Register of Investments U/S 372A.
11. Register of Share Transfer.

## Annexure B

Forms and Returns as filed by the company with the Ministry of Company Affairs during the financial year ended on 31st March, 2014.

Sr. No.	Form No./ Return	Filed under Sec	For	Date of filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee paid Yes/No.
01.	Compliance Certificate in Form No. 66.	383A	the year ended 31st March, 2013	3 <sup>rd</sup> July, 2013	Yes	No
02.	Form 23B	224(1A)	appointment of Jain Maheshwary & Co as Auditors` for the year ended 31st March, 2014	9th July,2013	Yes	No
03.	Balance Sheet and Profit & Loss Account in Form No. 23AC and 23ACA XBRL.	220	the year ended 31st March, 2013.	26th July,2013	Yes	No
04.	Annual Return in Form No. 20B	159	as on the date of the Annual General Meeting held on 28th June, 2013	29th July,2013	No	Yes

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
**SOMA PAPERS & INDUSTRIES LIMITED**

### **Report on the Financial Statement**

1. We have audited the accompanying financial statements SOMA PAPERS & INDUSTRIES LIMITED which comprise the Balance Sheet as at 31st March, 2014, the profit and loss account and cash flow statement for the year ended and summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India.. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject our following observations:
  - i) paragraph 4(d)(i) regarding preparation of accounts on the basis of a 'going concern' having consequential impact on the loss for the year, reserves and surplus and assets of the Company,
  - ii) non provision of interest on Sales Tax Loan (SICOM.), Security Deposit.(The amount remains unascertained. read together with Note no.16 regarding balances of Sundry debtors, Sundry Creditors, Balance with Bank and other advances being subject to confirmations/ reconciliation,
  - iii) and other notes appearing in the said Notes and those appearing elsewhere in the accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 5. As required by Companies (Auditor's report) (Amendment) Order '2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks, as were considered appropriate, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 6. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit; except para 14 & 16 of Notes on Financial Statement;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches if any, not visited by us;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;subject to,

Policy regarding appropriateness of going concern assumption used for preparing these accounts because the net worth of the Company is fully eroded and the Company is a sick industrial company within the meaning of clause (O) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the accounts do not include the adjustments that would arise if these assumption had not been used in preparing these accounts. (Para 13 of Notes to Accounts)

- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

FOR JAIN MAHESHWARY & COMPANY  
Chartered Accountants

Dharmesh Shah  
PARTNER  
Membership No.: 106620  
Mumbai, Dated: 31<sup>st</sup> May,2014

**ANNEXURE TO THE AUDITORS' REPORT REFERRED  
TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

1. In respect of its fixed assets:
  - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the management has physically verified during the year certain fixed assets in accordance with a phased programmed of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. The discrepancies noticed by the management on such verification were not material and have been properly dealt with in the books of account.
  - c) As we observed, during the year, the Company has not disposed off substantial part of its fixed assets.
2. In respect of its inventories:
  - a) As informed to us, there is no inventory lying in the hands of the Company.
  - b) Since there no inventory no inventory verified.
  - c) No stock record is maintained since there is no inventory.
3. According to information and explanations given to us, in respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - a) The Company has given unsecured loans in previous year is Rs.NIL and repaid worth Rs.75,463. The Balance of loan taken as on 31.03.2014 is worth Rs.10,00,000.
  - b) The loan taken / given is interest free and other terms conditions of such loans are prima facie not prejudicial to the interest of the Company.
  - c) The interest free loan taken / given is repayable on demand.
  - d) As informed to us, there are no overdue amounts of more than Rs. one lakh in respect of such loan and as such clause 4(iii)(d) of the Companies (Auditor's report) (Amendment) Order '2004 is not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956.  
b) As the company not entered in transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956, no comments are called in respect of clause 4(v)(b) of the Companies (Auditor's report) (Amendment) Order ' 2004 .
6. According to information and explanations given to us, the Company has not accepted any deposit from the public during the year.
7. There was no internal audit system in the Company during the year.
8. As explained to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Act in the case of the Company.
9. a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other statutory dues, with the appropriate authorities, except the sales tax liability of different states worth Rs.16.46 and deferred sales tax liability along with interest due there on (Unascertained) as on 31/03/2014 outstanding for a period of more than six months from date it became payable.  
b) According to the records of the Company, there are no dues of sales tax/ income tax / custom duty / wealth tax / service tax / cess, which have not been deposited on account of any dispute. The disputed amounts that have not been deposited in respect of excise duty / income tax are as under:

Description	Amount Rs.	Period to which it relates	Forum where dispute is pending
Excise duty	234,761	1988-1989	Excise and Gold (Control) Appellate Tribunal
Income Tax	19,38,082	2003-2004	Penalty Proceeding Before ITAT

10. The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth, and it has incurred cash losses during the current financial year. In immediately preceding financial year cash losses has been incurred.
11. According to the information and explanations given to us, *the Company has defaulted in repayment of dues to banks, financial institutions and debenture holder.*

The details of defaults as at 31/03/2014 in repayment of dues to the financial institutions, banks and debenture holder are as under:

<i>Period of default</i>	<i>Overdue towards</i>	<i>(Amount in Rs.)</i>		
		<i>Financial Institution</i>	<i>Banks</i>	<i>*Debenture holder</i>
<i>Amount of default</i>				
<i>Upto 1 year</i>	<i>Interest</i>	<i>Unascertained</i>	<i>Nil</i>	<i>Nil</i>
	<i>Principle</i>	<i>Nil</i>		
<i>More than 1 year and upto 2 years</i>	<i>Interest</i>	<i>Unascertained</i>	<i>Nil</i>	<i>Nil</i>
	<i>Principle</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>More than 2 years and upto 5 years</i>	<i>Interest</i>	<i>Unascertained</i>	<i>Nil</i>	<i>Nil</i>
		<i>Nil</i>		
<i>More than 5 years</i>	<i>Interest</i>	<i>Unascertained</i>	<i>Nil</i>	<i>Nil</i>
	<i>Principle</i>	<i>2,55,65,564</i>		

\*\* Refer along with the Auditors report.

\*\*\* Interest provided if any, is on estimate basis or considered as unascertained.

12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures, and other securities
13. According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions. According to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie, prejudicial to the interest of the company
14. The Company has not taken any term loan during the year.
15. According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have, prima-facie, have not been used for long-term investments.
16. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
17. No debentures have been issued by the Company during the year and hence, the question of creating securities in respect thereof does not arise.
18. The Company has not raised any money by way of public issue during the year.
19. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
20. In our opinion, and according to information and explanations given to us, no comments are called for in the case of clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's report) (Amendment) Order '2004 as the same are not applicable to the Company during the year.

FOR JAIN MAHESHWARY & COMPANY  
Chartered Accountants

Dharmesh Shah  
PARTNER  
Membership No.: 106620

Mumbai, Dated: 31<sup>st</sup> May, 2014



## BALANCE SHEET AS AT 31st MARCH 2014

	Note NO.	Rs.	As at 31/03/2014 Rs.	Rs.	As at 31/03/2013 Rs.
<b>EQUITY AND LIABILITIES:</b>					
<b>1 Shareholders Fund</b>					
Share capital	1	14,021,500		14,021,500	
Reserves & surplus	2	<u>4,166,788</u>		<u>5,435,216</u>	
			<b>18,188,288</b>		<b>19,456,716</b>
<b>2 Share Application Money Pending Allotment</b>					
<b>3 Non-Current Liabilities</b>					
Long-term borrowings					
Other Long term liabilities					
Long term provisions					
<b>4 Current Liabilities</b>					
Short-term borrowings					
Trade payables	3	3,227,985		3,227,985	
Other current liabilities	4	<u>31,983,666</u>		<u>31,821,216</u>	
Short-term provisions			35,211,651		35,049,201
<b>TOTAL</b>			<b><u>53,399,939</u></b>		<b><u>54,505,917</u></b>
<b>ASSETS</b>					
<b>5 Non-Current Assets</b>					
Fixed Assets					
Tangible Assets	5	10,604,196		10,614,509	
Intangible Assets					
Capital work-in-progress					
Non-Current Investments	6	400,000		1,260,487	
Long Term Loans and Advances	7	<u>3,823,028</u>	14,827,224	<u>4,106,464</u>	15,981,460
<b>6 Current Assets</b>					
Current Investments					
Inventories		-		-	
Trade Receivables	8	-		-	
Cash and bank balances	9	38,572,715		38,524,457	
Short Term Loans and advances					
Other Current Assets			38,572,715		38,524,457
<b>TOTAL</b>			<b><u>53,399,939</u></b>		<b><u>54,505,917</u></b>
SIGNIFICANT ACCOUNTING POLICIES					
NOTES ON ACCOUNTS					
	1 to 30				

As per our report of even date attached  
**FOR JAIN MAHESHWARY & CO.**  
Chartered Accountants

Dharmesh Shah  
PARTNER  
M. No.106620  
Mumbai; Dated: 31st May, 2014

For and on behalf of the Board of directors  
G.S. Manasawala (DIN 01267114) - Director  
K.G. Gupta (DIN 00997067) - Director  
Vikram Somani (DIN 00054310) - Director  
Bharat Somani (DIN 00286793) - Executive Director

Mumbai; Dated: 31st May, 2014

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED  
31st MARCH, 2014**

	Note NO.	Current Year Rs.	Previous Year Rs.
<b>INCOME</b>			
Revenue from operations		-	-
Other Income	10	200,940	176,978
TOTAL		200,940	176,978
<b>EXPENDITURE</b>			
Cost of materials consumed			
Purchase of finished goods			
(Increase)/Decrease in inventories of finished goods		-	-
Employee benefit expense	11	159,150	135,100
Financial cost		-	
Depreciation and amortization expense	5	10,313	10,313
Other Expenses	12	1,271,996	1,692,305
TOTAL		1,441,459	1,837,718
<b>PROFIT</b>			
Net profit/(loss) before Tax		(1,240,518)	(1,660,740)
Provision for income tax			
Current Tax		-	-
Tax Provision (Earlier Years)		(27,910)	
Deferred Tax benefit [Refer note 11 of Schedule 16]		-	-
Net profit/(loss) after tax		(1,268,428)	(1,660,740)
Basic and diluted earnings/(loss) per share before exceptional item		(0.90)	(1.18)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
NOTES ON ACCOUNTS	<b>1 to 30</b>		

As per our report of even date attached  
**FOR JAIN MAHESHWARY & CO.**  
Chartered Accountants

Dharmesh Shah  
PARTNER  
M. No.106620  
Mumbai; Dated: 31st May, 2014

For and on behalf of the Board of directors  
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K.G. Gupta (DIN 00997067) - Director  
Vikram Somani (DIN 00054310) - Director  
Bharat Somani (DIN 00286793) - Executive Director

Mumbai; Dated: 31st May, 2014

**CASH FLOW STATEMENT FOR THE PERIOD ENDED  
31ST MARCH, 2014**

	2013-14	2012-2013
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/ (loss) before tax and extraordinary items	(1,240,518)	(1,660,740)
<b>ADJUSTMENTS FOR :</b>		
Depreciation	10,313	10,313
Loss / (Profit) on sale of Mutual Fund	312	-
Provision for Tax	(27,910)	-
Dividend income	-	-
Interest income	-	-
Dividend income	(402)	(324)
	<u>(17,687)</u>	<u>9,989</u>
<b>Operating profit before working capital changes</b>	<u>(1,258,206)</u>	<u>(1,650,751)</u>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES :</b>		
Trade and other receivables	283,437	(50,781)
Trade payables and other trade liabilities	162,450	(945,508)
	<u>445,887</u>	<u>(996,289)</u>
<b>Cash generated from operations</b>	<u>(812,319)</u>	<u>(2,647,040)</u>
Less: Taxes (paid)/ Refund	-	(227)
	<u>(812,319)</u>	<u>(2,647,267)</u>
<b>Net cash from operating activities</b>	<u><u>(812,319)</u></u>	<u><u>(2,647,267)</u></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Investment	-	-
Sale / (Purchase) of fixed assets	860,487	1,739,513
Dividend received	402	324
	<u>860,889</u>	<u>1,739,837</u>
<b>Net cash from investing activities</b>	<u><u>860,889</u></u>	<u><u>1,739,837</u></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings(net of repayment)	-	-
Interest paid	-	-
	<u>-</u>	<u>-</u>
<b>Net cash used in financing activities</b>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<u><u>48,568</u></u>	<u><u>(907,432)</u></u>
Cash and cash equivalents - Opening balance	38,524,457	39,431,488
Cash and cash equivalents - Closing balance	<u>38,572,715</u>	<u>38,524,457</u>
Net increase/(decrease) as disclosed above	<u>48,257</u>	<u>(907,031)</u>

As per our report of even date attached  
**FOR JAIN MAHESHWARY & CO.**  
Chartered Accountants

Dharmesh Shah  
PARTNER  
M. No.106620  
Mumbai; Dated: 31st May, 2014

For and on behalf of the Board of directors  
G.S. Manasawala (DIN 01267114) - Director  
K.G. Gupta (DIN 00997067) - Director  
Vikram Somani (DIN 00054310) - Director  
Bharat Somani (DIN 00286793) - Executive Director

Mumbai; Dated: 31st May, 2014

## SIGNIFICANT ACCOUNTING POLICIES

- A. System of accounting**  
The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.
- B. Use of Estimates**  
The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.
- C. Fixed assets**  
Fixed assets are stated at cost net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any.
- D. Depreciation**
- a) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act 1956.
  - b) Depreciation on assets added/disposed off during the year has been provided for on pro-rata basis with reference to the month of addition/disposal.
  - c) Continuous process plants as defined in Schedule XIV to the Companies Act, 1956 have been considered.
- E. Investments**  
Long term Investments of the long-term nature are stated at cost less diminution in value wherever the decline is other than a temporary decline. Current Investments are carried at lower of cost or fair value.
- F. Inventories**  
Inventories if any are valued at lower of the cost and estimated net realisable value. Cost of inventories is computed on weighted average basis. Finished goods and work-in-progress if any include costs of conversion and other cost incurred in bringing the inventories to their present location and condition.
- G. Revenue recognition**  
Revenue is recognized when it can be reliably measured and it is reasonable to expect ultimate collection. Income and expenditure are recognised and accounted on accrual basis, except in case of significant uncertainties.
- H. Employee benefits**  
Short term employee benefits are recognized as an expense in the Profit and Loss Account. Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques.
- I. Foreign currency transactions**  
Transaction denominated in foreign currency if any, are recorded using the exchange rate prevailing at the date of transaction. Assets and liabilities denominated in foreign currency as at balance sheet date are converted at the exchange rates prevailing at that date. Exchange differences other than those relating to acquisition of fixed assets are recognised in the profit and loss account. Exchange differences relating to purchase of fixed assets are adjusted to carrying cost of fixed assets.
- J. Expenditure during construction period**  
Expenditure during construction period if any, are included under capital work in progress and the same is allocated to the respective fixed assets on the completion of construction.

**K. Research and development**

Revenue expenses in respect of research and development are charged to profit and loss account and capital expenditure of such nature are added to the cost of fixed assets in the year in which they are incurred.

**L. Taxation**

Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act,1961.

The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**M. Provision and contingent liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

**N. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**O. Borrowing Costs**

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of such assets. All other borrowing costs are charged to Profit and Loss Account.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2014**

	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
50,00,000 Equity shares of Rs. 10/- each	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed &amp; paid-up</b>		
14,02,150 Equity shares of Rs. 10/- each fully paid-up (includes 1,401,800 equity shares of Rs.10/- each fully paid up issued for consideration other than cash)	<b>14,021,500</b>	<b>14,021,500</b>
	<b>14,021,500</b>	<b>14,021,500</b>
<b>Details of Equity Shares held by each shareholder holding more than 5% shares:</b>		
Particulars	<b>31.03.2014</b>	<b>31.03.2013</b>
SRS Trading and Agencies P Ltd	<b>40.35%</b>	<b>40.35%</b>
There are no new shares issued during the year under review.		
<b>2 RESERVES &amp; SURPLUS</b>		
<b>Share premium account</b>	<b>11,734,600</b>	<b>11,734,600</b>
<b>Capital Reserve</b>	<b>3,200,000</b>	<b>3,200,000</b>
<b>Revaluation Reserve</b>	<b>72,429,824</b>	<b>72,429,824</b>
<b>Profit and Loss Account</b>		
Opening Balance	(81,929,208)	(80,268,468)
Add: Profit / (Loss) for the year	<b>(1,268,428)</b>	<b>(1,660,740)</b>
<b>TOTAL</b>	<b>4,166,788</b>	<b>5,435,216</b>
<b>3 TRADE PAYABLE</b>	<b>3,227,985</b>	<b>3,227,985</b>
<b>4 OTHER CURRENT LIABILITIES</b>		
Security deposits from dealers - Matured	<b>1,042,160</b>	<b>1,042,160</b>
Interest free sales-tax incentive loan	<b>25,565,564</b>	<b>25,565,564</b>
Interest accrued and due on loan and deposits	<b>83,373</b>	<b>83,373</b>
Interest accrued and due on sales tax loan	<b>2,721,315</b>	<b>2,721,315</b>
Advance from customers	<b>519,221</b>	<b>519,221</b>
Other payable	<b>2,052,033</b>	<b>1,889,583</b>
(includes liability for expenses and deposits)		
<b>TOTAL</b>	<b>31,983,666</b>	<b>31,821,216</b>

**5 FIXED ASSETS**

SR.	DESCRIPTION	GROSS BLOCK (AT COST/BOOK VALUE)				DEPRECIATION				NET BLOCK	
		As at 01/04/2013 Rs.	Additions Rs.	Deductions Rs.	As at 31/03/2014 Rs.	Up to 31/03/2014 Rs.	For the year Rs.	Deductions Rs.	Up to 31/03/2014 Rs.	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
1	Land (Freehold)	10,535,247	-	-	10,535,247	-	-	-	-	10,535,247	10,535,247
2	Air Conditioner	42,368	-	-	42,368	5,542	2,682	-	8,224	34,144	36,826
3	Office and Other Equipment	292,847	-	-	292,847	252,621	5,930	-	258,551	34,296	40,226
4	Furniture and Fixture	723,111	-	-	723,111	720,901	1,701	-	722,602	509	2,210
	<b>TOTAL</b>	<b>11,593,573</b>	<b>-</b>	<b>-</b>	<b>11,593,573</b>	<b>979,064</b>	<b>10,313</b>	<b>-</b>	<b>989,377</b>	<b>10,604,196</b>	<b>10,614,509</b>
	Previous year	11,593,573	-	-	11,593,573	968,751	10,313	-	979,064	10,614,509	10,624,822

**SOMA PAPERS & INDUSTRIES LTD.**

	Rs.	As at 31/03/2014 Rs.	Rs.	As at 31/03/2013 Rs.
<b>6 NON-CURRENT INVESTMENTS</b>				
(Long-term, at cost)				
<b><u>Investments in subsidiary company (Unquoted)</u></b>				
In Vecron Industries Ltd. - equity shares of Rs.10/- each, fully paid-up	1,387,700	27,000,000		27,000,000
<b>Other than trade</b>				
<b><u>Equity shares of Rs.10/- each fully paid up (Quoted)</u></b>				
Adhunik Synthetics Limited	500	25,000		25,000
Aluminium Industries Limited	187,500	1,875,000		1,875,000
Conway Printers Limited	5,000	250,000		250,000
Gujarat Composite Limited	4,960	-		-
Titaghur Paper Mills Company Limited	20	850		850
	<b>1,585,680</b>	<b>29,150,850</b>		<b>29,150,850</b>
DSP Bench Mark Equity Fund - Growth				500,000
Fidelity Equity Fund - Growth				
Franklin India Bluechip Fund		400,000		500,000
HDFC Top 200 Fund - Growth				
ICICI Prudential Focus Blue Chip Fund				
Reliance Growth Fund - Retail Plan				260,487
Less: Provision for permanent diminution in the value of long term investments.		(29,150,850)		(29,150,850)
TOTAL		<b>400,000</b>		<b>1,260,487</b>
<b>Note :</b>				
<b>Aggregate Book Value (net of provisions)</b>	<b>Quoted</b>	<b>1,260,040</b>		<b>1,260,487</b>
<b>Aggregate Market Value of quoted investments</b>		<b>1,260,040</b>		<b>1,260,487</b>
<b>7 LONG TERM LOANS AND ADVANCES</b>				
(Unsecured - considered good, unless otherwise stated)				
Loans to subsidiary company (considered doubtful)	43,331,514		43,188,386	
Loans to subsidiary company (considered good)	-	43,331,514	-	43,188,386
Advances recoverable in cash or in kind or for value to be received		(12,238)		(39,465)
Other Advances		1,000,000		1,075,463
Deposits		1,444,800		1,680,000
Advance income tax and tax deducted at source		1,390,472		1,390,472
TOTAL		<b>47,154,549</b>		<b>47,294,856</b>
Less: Provision for doubtful loan to subsidiary company C/f		(43,331,514)		(43,188,386)
		<b>3,823,028</b>		<b>4,106,464</b>
<b>8 TRADE RECEIVABLES</b>				
<b>(Unsecured)</b>				
<b><u>Considered doubtful</u></b>				
Debts for a period exceeding six months	-		846,501	
Other debts	-	-	-	846,501
		-		846,501
Less: provision for doubtful debts		-		846,501
TOTAL		-		-
<b>9 CASH AND BANK BALANCES</b>				
Cash-in-hand		72,802		72,802
(including cheques in hand Rs. Nil, previous year Rs.Nil)				
Balances with Scheduled Banks				
- In current accounts		38,499,913		38,451,655
- In Unclaimed dividend account				
- In fixed deposit account				
(Refer Note 17)				
TOTAL		<b>38,572,715</b>		<b>38,524,457</b>

**SOMA PAPERS & INDUSTRIES LTD.**

	As at 31/03/2014	As at 31/03/2013
Rs.	Rs.	Rs.
<b>10 OTHER INCOME</b>		
Dividend Income	402	324
Profit on Sale of Mutual Fund	(312)	2,824
Provision no Longer Required	<u>200,850</u>	<u>173,830</u>
<b>TOTAL</b>	<b><u>200,940</u></b>	<b><u>176,978</u></b>

**11 EMPLOYEE BENEFIT EXPENSES**

Salaries and Wages	<u>159,150</u>	<u>135,100</u>
	<b><u>159,150</u></b>	<b><u>135,100</u></b>

**12 OTHER EXPENSES**

Conveyance	2,688	-
Repairs & Maintenance to Others	6,426	17,504
Rates,taxes and fees	-	15,480
<u>Payment to auditors</u>		
- Audit Fees	7,500	30,000
Printing & Stationary	18,424	15,974
Postage & telegram	4,650	3,640
Power and Fuel	35,469	-
Selling expenses	56,833	53,172
Storage Charges	240,000	-
Telephone expenses	180,178	169,124
Legal and Professional Charges	471,395	243,770
Bank Charges	376	12,913
Motor car expenses	179,900	204,267
Miscellaneous expenses	51,303	97,840
Travelling Expenses	-	5,583
Listing Fees	16,854	823,037
<b>TOTAL</b>	<b><u>1,271,996</u></b>	<b><u>1,692,305</u></b>

13. The net worth of the Company is fully eroded and the Company is a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), for which a reference has been made to the Board of Industrial and Financial Reconstruction (BIFR) under Section 15 of SICA.
14. As per scheme of arrangement sanctioned by the Bombay High Court under Section 391 and 394 of Companies Act, 1956 made between Shree Vindhya Paper Mills Ltd and the Company, the coating division of Shree Vindhya Paper Mills Ltd. with its assets, investments, liabilities and reserves as at 31<sup>st</sup> December, 1991 has been transferred to and vested with the Company with effect from 1<sup>st</sup> January, 1992. However, certain assets and liabilities of the said division before its transfer though reflected in the accounts are yet to be transferred in the name of the Company.
15. Contingent liability not provided for in respect of:

	As at 31/03/2014	As at 31/03/2013
	Rs.	Rs.
a) Claims against Company not acknowledged as debts	437,567	437,567
b) Guarantee given to financial institution for loans taken by its employees	48,454	48,454
c) Bank guarantee to constituents and others.	1,360,000	1,360,000
d) Corporate Guarantee given to financial institutions and banks on behalf of Vecron Industries Limited (a wholly owned subsidiary Company)	25,000,000	25,000,000
e) Liability as may arise for non-payment of wages, PF, Gratuity and other labour dues since the date of closure of factory, as the case filed by the worker's union in Nashik Labour Court	Amount unascertained	Amount unascertained
f) Liability as may arise due to non compliance of certain fiscal statute	Amount unascertained	Amount unascertained
g) Income Tax Penalty Demand	19,38,082	19,38,082
h) Liability for Interest on deferred sales tax liability	Amount unascertained	Amount unascertained



	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
i) Sales Tax Liability 1996-97	51,606	51,606
j) Bank Liability - Subsidiary Co.	4,91,14,993	4,91,14,993

16. The bank has auctioned the Land. Factory Premises, Plant and Machinery, Inventory and other assets lying at Nasik in Financial Year 2007-08 which was approved by the Debt Recovery Tribunal. On the basis of correspondence received from the bank, auction proceeds received by bank has been utilised directly by bank to repaid Bank Cash Credit Liabilities, Debentures with interest, Electricity Charges, deposit given to Labour Court for Labour Settlement and other related expenses. The documentary evidences for such payments made not available with the Company. The accounting of the above transaction has been done on the basis of correspondence taken place with bank. No confirmations from banks, debenture holders, electricity department or labour court have been received against the proceeds received.
17. The auction proceed which were not utilized by bank for payment of any liabilities of the company has been kept by bank. The bank is not providing interest on such amount held.
18. Sales Tax Incentive loan became payable w.e.f. 4<sup>th</sup> August, 2004 as per terms of its sanction due to closure of factory / business. The liability is shown under the head "Current Liability". The management is of the view that the liability will be settled with the Sales Tax Authority, hence no interest on the loan amount due has been provided in the books of accounts.
19. Security deposit received from the dealers shown under the head "Current Liability" The management is of the view that Interest on deposit will not be paid hence not provided.
20. There were no amounts due to Small Scale and / or Ancillary Industrial suppliers on account of principal and / or interest as at the end of year. This disclosure is based on the information available with the Company regarding the status of the suppliers as defined under the Interest on Delayed Payments of Small Scale and Ancillary Industrial undertaking Act, 1993.
21. Payments to and provisions for employees includes remuneration paid to executive directors:

	Current Year (Rs.)	Previous Year (Rs.)
Directors Remuneration	Nil	Nil

22. The Company has closed the business; hence segment reporting is not applicable.
23. The secondary segment, i.e. 'geographical segment by location of customers' is not applicable.
24. Related party disclosures:

**Related party relationships:**

A Subsidiary Company (enterprises where control exists)	Vecron Industries Limited
B Key management personnel	Mr. Vikram Somani Mr. Bharat Somani
C Enterprise in which Key management personnel have significant influence	SRS Trading & Agencies Private Limited

**Notes:**

1. The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and the same have been relied upon by the auditors.
2. The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year (except where control exists, in which case the relationships are disclosed irrespective of exact transactions).

**Transactions with related parties:**

Particulars				(Amount in Rs.)	
	Subsidiary	Related parties Enterprise in which Key management personnel have significant influence	Key management personnel	Total	
Managerial	--	--	--	--	
Remuneration	(--)	(--)	(--)	(--)	
Loan taken	--	(--)	--	(--)	
	(--)		(--)	--	
Loan given	--	30,000	--	30,000	
	(--)	(30,000)	(--)	(30,000)	
Loan repaid	--	75,463	--	75,463	
	(--)	--	(--)	--	
Balances receivable as at year end.	43,188,386 (43,188,386)	10,00,000 (10,75,463)	-- (--)	4,41,88,386 (4,42,63,849)	
Balance payable as at year end	-- (--)	-- (--)	-- (--)	-- (--)	
Provision for doubtful loan	43,188,386 (43,188,386)	-- (--)	-- (--)	43,188,386 (43,188,386)	

Note: - Figures in brackets pertain to the previous year.

25. Earnings per share:

Earnings / (loss) before exceptional item

	Current Year Rs.	Previous Year Rs.
(i) Net profit / (loss) after tax available for equity shareholders	(12,68,428)	(16,16,740)
(ii) Weighted average number of equity shares outstanding during the year	1,402,150	1,402,150
(iii) Basic and diluted earnings / (loss) per share	(0.90)	(1.80)
(iv) Nominal value of share	10.00	10.00

Earnings / (loss) per share after exceptional item

(i) Net profit / (loss) after tax available for equity shareholders	(12,68,428)	(16,16,740)
(ii) Weighted average number of equity shares outstanding during the year	1,402,150	1,402,150
(iii) Basic and diluted earnings / (loss) per share	(1.90)	(1.18)
(iv) Nominal value of share	10.00	10.00

26. As per the Accounting standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the deferred tax assets (net) arising during the previous year on account of timing difference. Having regard to the net worth of the Company being fully eroded and the Company is a Sick industrial company within the meaning of SICA and uncertainty as to whether the Company can continue as a going concern, the deferred tax assets / liabilities has not been recognised.

27. In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities are adequate and not in the excess of the amount reasonably stated. The balances in case of sundry creditors, debtors and banks are subject to confirmation and reconciliations. The differences if any, as may arise will be accounted for on receipt of such information/reconciliation.
28. Payment to Auditor as:
- |   |           |
|---|-----------|
| (a) Statutory Audit Fees                | Rs.22,500 |
| (b) Tax Audit Fees                      |           |
| (c) Certification and Consultation Fees | Rs. 7,500 |
29. In view of the carried forward losses, provision for current year taxation and provision for deferred tax is not provided in the books of accounts.
30. Previous year figures have been regrouped and rearranged, wherever necessary.

## DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in submitting the 28th Annual report along with the Audited Balance Sheet for the year ended March 31,2014

**A Financial Results**

The Company has not carried out any business activity during the year. The company has incurred loss of (Rs. 8,018/-) for the year under review. The same has been carried forward to balance sheet along with brought forward Loss of (Rs. 57,028,425/-)

**B Dividend :**

In view of the losses, the directors of your company do not recommend any dividend.

**C Legal proceedings**

All the Assets of the Company, including Industrial Land, Plant & Machinery and Residential premises, situated at Silvassa, were auctioned and sold by the Debt Recovery Tribunal I on 16-05-2007. The money realised during the process has been shared by the Corporation Bank and Assts Reconstruction Co India Ltd (ARCIL), right holder of ICICI Bank. However Corporation Bank has filed the suit against the Company for balance recovery of their dues.

**D Director's Responsibility Statement :**

As Stipulated in Section 217(2AA) of the Companies Act, 1956, Directors Subscribe to the "Directors Responsibility Statement" and confirm that:

- i) In the Preparation of annual accounts, the applicable accounting standards have been followed and there were no material departures;
- ii) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company for that period;
- iii) the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detection fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

**E Personnel:**

There are no employees who are drawing remuneration of Rs. 24 Lacs p.a. or Rs. 2 Lac p.m. if employeeed for part of the year. The Bpard of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contributio to the operation of the Company during the year.

**E Particulars of Employees as per section 217 (2-A) of the Companies Act, 1956 : NIL**

**F Directors**

Mr. K G Gupta and Mr. Shekhar Somani, directors of the Company retire by rotation and being eligible, offers themselves for re-appointment.

**G Energy Coservation etc**

The particular for energy conservation etc. are nil in view of closure to company's activities from August 4,2004.

**H Directors Remuneration**

No directors have taken remuneration during the year.

**I Compliance Certificate**

Practicing Company Secretary has been appointed to carry our Secretarial Audit as required u/s 383 A of the Companies Act, 1956, as amended by the Companies (Amendment) Act,2000. The Compliance Certificate of the said secretary, M/s GMJ & Associates is annexed hereto.

**J Auditors:**

The present Auditors M/s. J. K. Lahoti & Co., Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting. They have expressed their inability to continue as Auditors for forthcoming year due to threshold limit of audits. We have received Notice from a shreholder to appoint M/s..Dharmesh Shah & Co as statutory auditors. You are requested to appoint them.

By Order of the Board

Place: Mumbai  
Date : May 22, 2014

Bharat Somani (DIN 00286793)  
Director

Vikram Somani (DIN 00054310)  
Director

**COMPLIANCE CERTIFICATE**

(Under Proviso to Sub-Section (1) of Section 383 A of the Companies Act, 1956)

**Registration No.** : 54-000109 of 1996  
**Nominal Capital** : Rs.3,50,00,000/-  
**Paid-up Capital** : Rs.1,38,77,000/-

To

The Members,

**VECRON INDUSTRIES LIMITED**

We have examined the registers, records, books and papers of **VECRON INDUSTRIES LIMITED** having its registered office at Plot No. 2, Government Industrial Estate, Piparia, Silvassa, Dadara Nagar Haveli (U. T.) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31<sup>st</sup> March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

01. the company has kept and maintained all registers as stated in Annexure "A" to this certificate as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
02. the company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Ministry of Corporate Affairs within the time prescribed under the Act and the rules made thereunder.
03. the company is a public limited company and hence comments are not required .
04. the Board of Directors duly met 4 times on 20<sup>th</sup> May, 2013, 31<sup>st</sup> July, 2013, 28<sup>th</sup> October, 2013 and 31<sup>st</sup> January, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
05. the company has not closed its Register of Members during the year under scrutiny.
06. the Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2013 was held on 4<sup>th</sup> June, 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
07. no extra ordinary general meeting was held during the financial year under scrutiny.
08. the provisions of Section 295 relating to Loans to Director under the Companies Act, 1956 was applicable to the Company till 11.09.2013. Thereafter the provisions of Section 185 of the Companies Act, 2013 were made applicable with effect from 12.09.2013. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred as per the provisions of the Act.
09. no contracts were entered during the year attracting the provisions of Section 297 of the Act.
10. the company has made necessary entries in the register maintained under Section 301 of the Act.
11. as there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. the company did not issue any duplicate share certificates during the financial year under scrutiny.
13. the company has :
  - i. not made any allotment/transfer/transmission of securities during the financial year.
  - ii. not deposited any amt in a separate Bank A/c as no dividend was declared during the financial year.
  - iii. not posted warrants to any member of the co as no dividend was declared during the financial year.
  - iv. no amt unpaid in dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven yrs and hence transferring of the same to the Investor Education and Proton Fund does not arise.
  - v. duly complied with the requirements of Section 217 of the Act.
14. the Board of Directors of the co. is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year under scrutiny.
15. the company has not appointed any Managing Director or Whole time Director during the financial year under scrutiny.
16. the company has not appointed any sole-selling agents during the financial year under scrutiny.
17. the company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act.
18. the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. the company has not issued any shares/debentures/other securities during the financial year under scrutiny.
20. the company has not bought back any shares during the financial year under scrutiny.
21. the company has not issued any preference shares/debentures and hence there is no question of redemption of the same.
22. during the year there was no need for the company to keep in abeyance right to dividend, rights shares and bonus shares.
23. the company has not invited/accepted any deposits falling within the purview of Section 58A of the Act during the financial year under scrutiny.
24. the amounts borrowed by the company from its holding company are within the borrowing limits of the company and that necessary resolution as per Section 293(1)(d) of the Act has been passed in earlier years.

25. the company has not made any loans or investments, or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. the company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. the company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
28. the company has not altered the provisions of the Memorandum of Association with respect to name of the company during the year under scrutiny.
29. the company has not altered the provisions of the Memorandum of Association with respect to share capital of the company during the year under scrutiny.
30. the company has not altered its Articles of Association during the year under scrutiny.
31. there was no prosecution initiated against or show cause notice received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for the offences under the Act.
32. the company has not received any sum as security from its employees during the year under scrutiny.
33. the provisions of Section 418 of the Act are not applicable to the company during the year under scrutiny.

For **GMJ & ASSOCIATES**  
**COMPANY SECRETARIES**

**PLACE : MUMBAI**  
**DATE : 22nd May, 2014.**

**(ALKA MODI)**  
**PARTNER**  
**C.P. NO. 5419**

**Registration No. : 54-000109 of 1996**  
**Nominal Capital : Rs. 3,50,00,000/-**  
**Paid-up Capital : Rs. 1,38,77,000/-**  
**Annexure A**

**Registers as maintained by the Company**

1. Register of Members U/S. 150.
2. Attendance Register for General Meetings U/S. 174.
3. Minutes Books of General Meetings and Board Meetings U/S. 193.
4. Attendance Register for Board Meetings U/S. 287.
5. Register of Contracts U/S. 301.
6. Register of Directors U/S. 303.
7. Register of Directors Shareholding U/S. 307.
8. Register of Share Transfer.
9. Books of Accounts U/S. 209.

**Annexure B**

**Forms and Returns as filed by the company with the MCA during the FY ended on 31<sup>st</sup> March, 2012.**

Sr. No.	Form Return	No./ U/S	Filed For	Date of filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee paid Yes/No
01.	CC in Form No. 66	383A	the year ended 31 <sup>st</sup> March, 2013.	24 <sup>th</sup> June 2013.	Yes	---
02.	Annual Return in Form No. 20B	159	as on the date of the AGM held on 4 <sup>th</sup> June 2013	24 <sup>th</sup> June 2013	Yes	---
03.	Form 23B	224(1A)	appointment of J. K. Lahoti & Co as Auditors` for the year ended 31 <sup>st</sup> March, 2014	27 <sup>th</sup> June 2013	Yes	---
04.	BS & PL A/c in Form No. 23AC 23ACA XBRL	220	the year ended 31 <sup>st</sup> March, 2013.	4 <sup>th</sup> July 2013	Yes	---

## INDEPENDENT AUDITORS' REPORT

To,

The Members of  
VECRON INDUSTRIES LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements VECRON INDUSTRIES LIMITED ('the Company') which comprise the balance sheet as at 31-03-2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2014 and;
- b. In the case of Profit and Loss account, of the Loss for the year ended on that date.
- c. in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order

2. As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. on the basis of written representations received from the directors as on 31 Mar 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 Mar 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For J. K. LAHOTI & CO.  
Chartered Accountants  
F.R.N.105508W

Place: Mumbai  
Date :May 22,2014

(J. K. LAHOTI)  
Proprietor  
M. No. 16655

**ANNEXURE TO THE AUDITORS REPORT  
(Referred to in Paragraph 2 of our Report of even date)**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1 Since the company does not have any Fixed Assets, hence this Clause is not applicable..
- 2 Since The Company's business activities have been closed down and no inventories lying hence Clause 2 is not applicable.
- 3 The following are the particulars of loans taken by the company from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:

Name of Party	Relationship with the Company	Amount	Year end Balance
Soma Papers & Industries Ltd.	Holding Company	24,113	43,331,514

- 4 In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for payment for expenses. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- 5 In our opinion the rate of interest and other terms and conditions on which loans have been taken from / granted to companies, firms or other parties listed in the registers maintained under Section 301 are not, prima facie, prejudicial to the interest of the company. However, no interest has been charged or granted on the above loans taken/granted.
- 6 The company is regular in repaying the amounts as stipulated and has been regular in the payment of Interest except as above. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- 7 There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.
- 8 In our opinion and according to the information and explanations given to us, there are adequate control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- 9 Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- 10 In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 11 In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regards to the Deposits accepted from the public. No order has been passed by National Company Law Tribunal. However during the year under report the company has not accepted deposits under Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
- 12 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 13 As the activity of the Company has been closed down hence clause regarding deposition of statutory dues with appropriate authority is not applicable.
- 14 According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at the end of the year under review for a period of more than six months from the date they became payable.
- 15 According to the records of the company, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Cess, which have not been deposited on account of any dispute except Rs. 51,606/- for sales tax for the period 1996-97 which is pending on account of appeal filed before higher authorities
- 16 The accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash loss of Rs. 8,018/- during the financial year covered by our audit.
- 17 Based on our examination of documents and records, we are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 18 Based on our examination of records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records. We also report that the company has held the shares, securities, debentures and other securities in its own name.
- 19 The company has not given any guarantee for loans taken by others from bank or financial institutions.
- 20 The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 21 During the period covered by our audit report, the company has not issued any debentures.
- 22 Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- 23 Other clauses of the said order are not applicable to the Company.

For J. K. LAHOTI & CO.  
Chartered Accountants  
F. R. N. 105508W

Place: Mumbai  
Date :May 22, 2014

(J. K. LAHOTI)  
Proprietor  
M. No. 16655



**BALANCE SHEET AS AT 31st MARCH 2014**

Particulars		Note No.	As at 31-03-2014	As at 31-03-2013
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholders' Funds</b>			
	(a) Share capital	3	13,877,000	13,877,000
	(b) Reserves and surplus	4	(57,036,442)	(57,028,425)
			<b>(43,159,442)</b>	<b>(43,151,425)</b>
	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	43,331,514	43,307,401
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions		-	-
			<b>43,331,514</b>	<b>43,307,401</b>
	<b>Current liabilities</b>			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities		-	-
	(d) Short-term provisions	11	3,370	18,370
			<b>3,370</b>	<b>18,370</b>
	<b>TOTAL</b>		<b>175,442</b>	<b>174,346</b>
<b>B</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets		-	-
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments		-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances		-	-
	(e) Other non-current assets		-	-
	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	19	172,533	174,346
	(e) Short-term loans and advances	20	2,909	-
	(f) Other current assets		-	-
			<b>175,442</b>	<b>174,346</b>
	<b>TOTAL</b>		<b>175,442</b>	<b>174,346</b>

See accompanying notes forming part of the financial statements

As per our report of even date attached  
For **J. K. LAHOTI & CO.**  
Chartered Accountants

(J. K. LAHOTI)  
Proprietor  
M. No. 16655  
Mumbai : 22-05-2014

For and on behalf of the Board of directors

Bharat Somani (DIN 00286793) -Director  
Vikram Somani (DIN 00054310)- Director

Mumbai : 22-05-2014

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED  
31st MARCH, 2014**

Particulars		Note No.	As at 31-03-2014	As at 31-03-2013
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations			
2	Other income	23	14,547	48,586
3	<b>Total revenue (1+2)</b>		<b>14,547</b>	<b>48,586</b>
4	Expenses			
	(a) Cost of materials consumed		-	-
	(b) Purchases of stock-in-trade		-	-
	(c) Changes in inventories of fnshd goods, work-in-prog & stock-in-trade		-	-
	(d) Employee benefits expense		-	-
	(e) Finance costs		-	-
	(f) Depreciation and amortisation expense		-	-
	(g) Other expenses	27	22,565	60,487
	<b>Total expenses</b>		<b>22,565</b>	<b>60,487</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(8,018)	(11,902)
6	Exceptional items		-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		(8,018)	(11,902)
8	Extraordinary items			
9	<b>Profit / (Loss) before tax (7 ± 8)</b>		(8,018)	(11,902)
10	<b>Tax expense:</b>			
	(a) Current tax		-	-
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		-	-
	(e) Deferred tax		-	-
11	<b>Profit / (Loss) after tax -from Continuing Operations</b>		(8,018)	(11,902)
<b>B</b>	<b>DISCONTINUING OPERATIONS</b>			
12	Profit / (Loss) from discontinuing operations (before tax)		-	-
<b>C</b>	<b>TOTAL OPERATIONS</b>			
13	<b>Profit / (Loss) for the year (11+13)</b>		(8,018)	(11,902)
15	<b>Earnings per share (of ` 100/- each):</b>			
	Basic & Diluted		(0.01)	(0.01)
	<b>See accompanying notes forming part of the financial statements</b>			

As per our report of even date attached  
For **J. K. LAHOTI & CO.**  
Chartered Accountants

(J. K. LAHOTI)  
Proprietor  
M. No. 16655  
Mumbai : 22-05-2014

For and on behalf of the Board of directors

Bharat Somani (DIN 00286793) -Director  
Vikram Somani (DIN 00054310)- Director

Mumbai : 22-05-2014

**CASH FLOW STATEMENT FOR THE PERIOD ENDED  
31ST MARCH, 2014**

Particulars	For the year ended Mar 31,2014		For the year ended Mar 31,2013	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(8,018)		(11,902)
Adjustments :		-		-
Operating profit / (loss) before working capital changes		(8,018)		(11,902)
<u>Changes in working capital:</u>				
Adjustments :				
Other current assets				
Adjustments :				
Other long-term liabilities				
Short-term provisions				
		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(8,018)</b>		<b>(11,902)</b>
<b>B. Cash flow from investing activities</b>				
		-		-
<b>C. Cash flow from financing activities</b>				
<b>Net cash flow from / (used in) financing activities (C)</b>				
Cash and cash equivalents at the beginning of the year		174,346		125,368
Cash and cash equivalents at the end of the year				
(a) Cash on hand	-		124	
(c) Balances with banks	-	172,533	160,895	
(i) In current accounts	-	-	13,328	174,346
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		1,813		-48,978
<b>See accompanying notes forming part of the financial statements</b>				

As per our report of even date attached  
For **J. K. LAHOTI & CO.**  
Chartered Accountants

(J. K. LAHOTI)  
Proprietor  
M. No. 16655  
Mumbai : 22-05-2014

For and on behalf of the Board of directors

Bharat Somani (DIN 00286793) -Director  
Vikram Somani (DIN 00054310)- Director

Mumbai : 22-05-2014

**SIGNIFICANT ACCOUNTING POLICIES  
AND  
NOTES FORMING PART OF THE BALANCE SHEET AS AT March 31, 2014 AND THE PROFIT  
AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

<u>Note</u>	<u>Particulars</u>
<b>1 Corporate information</b>	The Company is 100% Subsidiary Company of Soma Papers & Ind Ltd. The Company was registered as Sick Industrial Undertaking u/s 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act 1985 on 3.9.1998. Since then, the Board of Industrial Financial Reconstruction (BIFR) vide their order dated 7.8.2001 and Appellate Authority for Industrial and Financial Reconstruction (AAIFR) vide order dated 31.10.2001 have recommended for winding up of the Company to the concerned High Court for further necessary action.
<b>2 Significant accounting policies (Illustrative)</b>	The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.
<b>2.1 Basis of accounting and preparation of financial statements</b>	The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
<b>2.2 Use of estimates</b>	The preparation of the financial statements requires the Management to make certain estimates and assumptions considered in the reported amounts of Financial Statements and Notes thereto, which the management believes are prudent and reasonable. Differences between actual results and estimates are recognised in the period in which they materialised.
<b>2.3 Inventories</b>	The Company has no inventories during current or previous Financial Year.
<b>2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)</b>	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances.
<b>2.5 Cash flow statement</b>	Cash flows are reported using the indirect method, whereby profit / (loss), before extraordinary items and tax, is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
<b>2.6 Depreciation and amortisation</b>	As there are no Fixed Assets no depreciation is provided.
<b>2.7 Revenue recognition</b>	There is no revenue generated from operations.
<b>2.8 Other income</b>	There are no Other Income.
<b>2.9 Tangible fixed assets</b>	The Company has no such assets.
<b>2.10 Intangible assets</b>	There are no Intangible Assets.
<b>2.11 Foreign currency transactions and translations</b>	There are no Foreign currency Transactions and translations took place during current/previous Financial year.
<b>2.12 Government grants, subsidies and export incentives</b>	There are no Govt. grants, subsidies and export incentives received during the Current or previous Financial Year.
<b>2.13 Investments</b>	There are no Long-term investments.
<b>2.14 Employee benefits</b>	As there are no employees, this clause is not applicable.
<b>2.15 Employee share based payments</b>	The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 not applicable to the Company.
<b>2.16 Borrowing costs</b>	There are no Borrowing costs incurred during the year.
<b>2.17 Segment reporting</b>	There are no geographical segments. Hence, no disclosures are required under Accounting Standard 17 on Segment Reporting prescribed by Companies (Accounting Standards) Rules, 2006.

<u>Note</u>	<u>Particulars</u>
2.18	<b>Leases</b> : Not Applicable
2.19	<b>Earnings per share</b> Basic & Diluted earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.
2.20	<b>Taxes on income</b> There are no Taxes on income, Research and development expenses, Joint venture operations, mpairment of assets,
2.21	<b>Research and development expenses</b> There are no Research & Dev Expenses.
2.22	<b>Joint venture operations</b> There are no Joint venture operations
2.23	<b>Impairment of assets</b> There are no Impairment of Assets.
2.24	<b>Provisions and contingencies</b> Contingent Liabilities not provided for in respect of: a. Sales Tax demand in appeal ` 51,606 for the period 1996-97. b. Corporation Bank has filed the suit against the Company for their dues of 4,91,14,993/- against which decree has been issued.
2.25	Provision for warranty, Hedge accounting, Derivative contracts, Insurance claims,Service tax input credit are not to applicable to the Company. There were no Share Issue expenses.
2.30	

As per our report of even date attached  
For **J. K. LAHOTI & CO.**  
Chartered Accountants

(J. K. LAHOTI)  
Proprietor  
M. No. 16655  
Mumbai : 22-05-2014

For and on behalf of the Board of directors

Bharat Somani (DIN 00286793) -Director  
Vikram Somani (DIN 00054310)- Director

Mumbai : 22-05-2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 3 Share capital**

Particulars	As at 31-03-2014		As at 31-03-2013		
	No of shares		No of shares		
<b>(a) Authorised</b>					
Equity shares of ` 10/- each with voting rights	3,500,000	35,000,000	3,500,000	35,000,000	
Equity shares of with differential voting rights	NIL				
<b>(b) Issued</b>					
Equity shares of ` 10/- each with voting rights	1,387,700	13,877,000	1,387,700	13,877,000	
<b>(c) Subscribed and fully paid up</b>					
Equity shares of ` 10/- each with voting rights	1,387,700	13,877,000	1,387,700	13,877,000	
<b>(d) Subscribed but not fully paid up</b>	NIL				
<b>Total</b>	<b>1,387,700</b>	<b>13,877,000</b>	<b>1,387,700</b>	<b>13,877,000</b>	
<b>(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>					
Particulars	Opening Balance	Fresh issue	Bonus + ESOP + Conversion + Buy Back	Other changes (give details)	Closing Balance
<b>Equity shares with voting rights</b>					
Year ended					
31/03/2014					
- Number of shares	1,387,700	-	-	-	1,387,700
- Amount (`)	13,877,000	-	-	-	13,877,000
Year ended					
31/03/2013					
- Number of shares	1,387,700	-	-	-	1,387,700
- Amount (`)	13,877,000	-	-	-	13,877,000
Equity shares with differential voting rights	----- NIL -----				
<b>(ii) Details of shares held by each shareholder holding more than 5% shares:</b>					
Class of shares / Name of shareholder	31/03/2014		30/03/2013		
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Equity shares with voting rights					
SOMA PAPERS & IND LTD	1,387,700	100.00	1,387,700	100.00	
<b>TOTAL</b>	<b>1387700</b>	<b>100</b>	<b>1387700</b>	<b>100</b>	
Equity shares with differential voting rights	NONE				
<b>(iv) No shares were reserved for issuance of any type during current and previous year.</b>					
<b>(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:</b>					NIL
<b>(vii) Details of calls unpaid</b>					NIL
<b>(viii) Details of forfeited shares</b>					NIL

**Note 4 Reserves and Surplus**

Particulars	As at 31/03/2014	As at 31/03/2013
<b>(a) Capital reserve</b>	-	-
<b>(b) Securities Premium account</b>	-	-
<b>(g) General reserve</b>	-	-
<b>(k) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(57,028,425)	(57,016,523)
Add: Profit / (Loss) for the year	(8,018)	(11,902)
Closing balance	<b>(57,036,442)</b>	<b>(57,028,425)</b>
<b>Total</b>	<b>(57,036,442)</b>	<b>(57,028,425)</b>

VECRON INDUSTRIES LTD.

Note	Particulars	As at	
		March 31, 2014	March 31, 2013
<b>5 Long-term Borrowings</b>		-	-
	Loans and advances from related parties		
	Secured	-	-
	Unsecured : Soma Papers & Ind Ltd	43,331,514	43,307,401
	<b>Total</b>	<b>43,331,514</b>	<b>43,307,401</b>
<b>6 Other Long-term Liabilities</b>		-	-
<b>7 Long-term Provisions</b>		-	-
<b>8 Short-term borrowings</b>			
	(b) Loans and advances from related parties		
	Unsecured from Directors	-	-
	Unsecured from Member	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>9 Trade Payables</b>		-	-
<b>10 Other Long-term Liabilities</b>		-	-
<b>11 Short-term Provisions</b>			
	Provision - others	-	15,000
	Audit Fees	3,370	3,370
	<b>Total</b>	<b>3,370</b>	<b>18,370</b>
<b>12 Tangible/Intangible Assets : Not Applicable</b>			
<b>13 Non Current Investment : Not Applicable</b>			
<b>14 Long-term loans and advances</b>		-	-
<b>15 Other Non-current Assets</b>		-	-
<b>16 Current Investments</b>		-	-
<b>17 Inventories</b>		-	-
<b>18 Trade Receivables</b>		-	-
<b>19 Cash and cash equivalents</b>			
	Cash on hand	-	124
	Balances with banks		
	In current accounts	-	13,328
	In deposit accounts	172,533	160,895
	<b>Total</b>	<b>172,533</b>	<b>174,346</b>
<b>20 Short-term loans and advances</b>			
	(a) a. Loans and advances to related parties (refer note)		
	(b) Security deposits	-	-
	(c) Loans and advances to employees	-	-
	(d) Prepaid expenses	-	-
	(e) Balances with government authorities	-	-
	(f) Inter-corporate deposits	-	-
	(g) Others (TDS on Int recd)	2,909	-
	<b>Total</b>	<b>2,909.00</b>	<b>-</b>
	<b>Note: Short-term loans and advances include amounts due from:</b>		
	Directors	-	-
<b>21 Other Current Assets</b>		-	-
<b>22 Revenue From Operations</b>		-	-
<b>23 Other income</b>		14,547	48,586
<b>24 Materials</b>		-	-
<b>25 Employee benefits expense</b>		-	-
<b>26 Finance Costs</b>		-	-
<b>27 Other Expenses</b>			
	<b>C. Administrative and General Expenses</b>		
	Legal and professional	15,451	53,551
	Payments to auditors	3,370	3,370
	Miscellaneous expenses	3,744	3,566
	(ROC Fees Rs. 2,000 + Bank Chgs Rs. 86, Return Filing Fees Rs. 1500)		
	(including any Expense Exceeding 1% of Revenue from Operations or Rs. 1,00,000, whichever is higher		
	<b>Total</b>	<b>22,565</b>	<b>60,487</b>
	Payments to the auditors comprises (net of service tax input credit, where		
	As auditors - statutory audit	3,370	3,370
<b>28 Exceptional and Extraordinary Items</b>		-	-

Note	Particulars	As at	
		March 31, 2014	March 31, 2013
<b>29 Additional Information to the Financial Statements.</b>	Balance with Soma Papers & Ind Ltd (holding co) is subject to reconciliation & confirmation. The Company was registered as Sick Industrial Undertaking u/s 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act 1985 on 3.9.1998. Since then, the Board of Industrial Financial Reconstruction (BIFR) vide their order dated 7.8.2001 and Appellate Authority for Industrial and Financial Reconstruction (AAIFR) vide order dated 31.10.2001 have recommended for winding up of the Company to the concerned High Court for further necessary action		
<b>30 Note 30.7 - Disclosures under AS 18 - Related Party Disclosures</b>	<b>Details of related parties:</b> Names of related parties SOMA PAPERS & INDUSTRIES LTD Description of relationship Ultimate Holding Company Key Management Personnel Mr. Bharat Somani, Mr. Vikram Somani (KMP) <b>Details of related party transactions during the year</b> Other Expenses of the Company paid by the Holding Company.		
<b>Note 30.9 - Disclosures under AS 20 - Earnings per Share</b>	<b>(In accordance with Accounting Standard 20 -Earnings Per Share)</b>		
	Net Profit After Tax (A)	(8,018)	(11,902)
	Weighted Average Number of Equity Shares outstanding during the year (B)	1,387,700	1,387,700
	Number of Dilutive Potential Equity Shares (C)	-	-
	Basic Earning Per Share (A/B) (Rs.)	(0.01)	(0.01)
	Dilutive Earning Per Share (A/(B+C)) (Rs.)	(0.01)	(0.01)
<b>Note 30.10 - Deferred tax (liability) / asset</b>	Since the company's accumulated losses have eroded its net worth and there is no virtual certainty that future taxable income will be available. And moreover company has been declared sick unit u/s 3(1)(o) of the Sick Industrial (Special Provisions) Act, 1985 on 03/09/1998. Since then the Board of Industrial Financial Reconstruction (BIFR) vide their order dated 07/08/2001 and Appellate Authority for Industrial and financial Reconstruction (AAIFR) vide order dated 31/10/2001 have recommended for the winding up of the company to the concerned High court for further necessary action. Hence no deferred Tax Assets have been recognised in the books.		
<b>31 Disclosure on Employee Share Based Payments not applicable to the Company.</b>			
<b>32 Previous Year's Figures</b>	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		

As per our report of even date attached  
For **J. K. LAHOTI & CO.**  
Chartered Accountants

(J. K. LAHOTI)  
Proprietor  
M. No. 16655  
Mumbai : 22-05-2014

For and on behalf of the Board of directors

Bharat Somani (DIN 00286793) -Director  
Vikram Somani (DIN 00054310)- Director

Mumbai : 22-05-2014



**INDEPENDENT AUDITORS' REPORT**

To,  
The Members of  
**SOMA PAPERS & INDUSTRIES LIMITED**

1. We have audited the attached consolidated balance sheet of **SOMA PAPERS & INDUSTRIES LIMITED** and its subsidiary **VECRON INDUSTRIES LIMITED** as at 31<sup>st</sup> March, 2014, along with profit and loss account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of Financial Statement of Subsidiary, the audit was carried out by other auditor. The details of assets and revenues in respect of the subsidiary to the extent to which they are reflected in the consolidated financial statements are given below:

Total Assets	Rs. 1,75,442
Total Revenue	Rs. (8,018)

The Financial Statements of subsidiary Company which is audited / reviewed by other auditor have been furnished to us, and our opinion, insofar as it relates to the amount included in respect of subsidiary is based solely on the report of the other auditor.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 Consolidated Financial Statements, (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements and AS 27 Financial Reporting of Interests in Joint Ventures, as notified by the Companies (Accounting Statements) Rules, 2006 and on the basis of the separate audited / certified financial statements.
5. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet of the State of Affairs of the Group as at 31<sup>st</sup> March, 2014.
  - (ii) in the case of the Consolidated Statement of Profit and Loss, of the Loss of the Group for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

FOR JAIN MAHESHWARY & COMPANY  
Chartered Accountants

Dharmesh Shah  
PARTNER  
Membership No.: 106620

Mumbai, Dated: 31<sup>st</sup> May, 2014

**SOMA PAPERS & INDUSTRIES LIMITED**

**SIGNIFICANT ACCOUNTING POLICIES**

**Principles of consolidation**

The consolidated financial statements relate to Soma Papers and Industries Limited ('the Company') and its subsidiary company Vecron Industries Limited. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balance and intra - group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements.
- b) The difference between the cost of investment in the subsidiaries, over the net assets if any, at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**Investment other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments"**

**Other significant accounting policies :**

**A. System of accounting**

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.

**B. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

**C. Fixed assets**

Fixed assets are stated at cost net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any.

**D. Depreciation**

- a) Depreciation on fixed assets is provided on straight-line method at the rates and in the manners specified in Schedule XIV to the Companies Act 1956.
- b) Depreciation on assets added/disposed off during the year has been provided for on pro-rata basis with reference to the month of addition/disposal.
- c) Continuous process plants as defined in Schedule XIV to the Companies Act, 1956 have been considered.

**E. Investments**

Long term Investments of the long-term nature are stated at cost less diminution in value wherever the decline is other than a temporary decline. Current Investments are carried at lower of cost or fair value.

**F. Inventories**

Inventories, if any, are valued at lower of the cost and estimated net realisable value. Cost of inventories is computed on weighted average basis. Finished goods and work-in-progress if any,

include costs of conversion and other cost incurred in bringing the inventories to their present location and condition.

**G. Revenue recognition**

Revenue is recognized when it can be reliably measured and it is reasonable to expect ultimate collection. Income and expenditure are recognised and accounted on accrual basis, except in case of significant uncertainties.

**H. Employee benefits**

Short term employee benefits are recognized as an expense in the Profit and Loss Account. Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques.

**I. Foreign currency transactions**

Transaction denominated in foreign currency if any, are recorded using the exchange rate prevailing at the date of transaction. Assets and liabilities denominated in foreign currency as at balance sheet date are converted at the exchange rates prevailing at that date. Exchange differences other than those relating to acquisition of fixed assets are recognised in the profit and loss account. Exchange differences relating to purchase of fixed assets are adjusted to carrying cost of fixed assets.

**J. Expenditure during construction period**

Expenditure during construction period if any, are included under capital work in progress and the same is allocated to the respective fixed assets on the completion of construction.

**K. Research and development**

Revenue expenses in respect of research and development are charged to profit and loss account and capital expenditure of such nature are added to the cost of fixed assets in the year in which they are incurred.

**L. Taxation**

Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act,1961. In view of the previous years carry forward losses management is of the view that not to make any provision for tax as well as fringe benefit tax.

The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. In view of the losses provision for deferred tax has not been provided.

**M. Provision and contingent liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

**N. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**O. Borrowing Costs**

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of such assets. All other borrowing costs are charged to Profit and Loss Account.

13. The net worth of the both the Company is fully eroded and the Company is a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) for which a reference has been made to the Board of Industrial and Financial Reconstruction (BIFR) under Section 15 of SICA.
14. As per scheme of arrangement sanctioned by the Bombay High Court under Section 391 and 394 of Companies Act, 1956 made between Shree Vindhya Paper Mills Ltd and the Company, the coating division of Shree Vindhya Paper Mills Ltd. with its assets, investments, liabilities and reserves as at 31<sup>st</sup> December, 1991 has been transferred to and vested with the Company with effect from 1<sup>st</sup> January, 1992. However, certain assets and liabilities of the said division before its transfer though reflected in the accounts are yet to be transferred in the name of the Company.

15. Contingent liability not provided for in respect of:

	As at 31/03/2014 Rs.	As at 31/03/2012 Rs.
a) Claims against Company not acknowledged as debts	437,567	437,567
b) Guarantee given to financial institution for loans taken by its employees	48,454	48,454
c) Bank guarantee to constituents and others	1,360,000	1,360,000
d) Corporate Guarantee given to financial institutions and banks on behalf of Vecron Industries Limited (a wholly owned subsidiary Company)	25,000,000	25,000,000
e) Liability as may arise for non-payment of wages, PF, Gratuity and other labour dues since the date of closure of factory, as the case filed by the worker's union in Nashik Labour Court	Amount unascertained	Amount unascertained
f) Liability as may arise due to non compliance of certain fiscal statute	Amount unascertained	Amount unascertained
g) Income Tax Penalty Demand	19,38,082	19,38,082
h) Liability for Interest on deferred sales tax liability	Amount unascertained	Amount unascertained
i) Sales Tax Liability 1996-97	51,606	51,606
j) Bank Liability - Subsidiary Co.	4,91,14,993	4,91,14,993

16. The bank has auctioned the Land, Factory Premises, Plant and Machinery, Inventory and other assets lying of the Company at Nasik in Financial Year 2007-08 which was approved by the Debt Recovery Tribunal. On the basis of correspondence received from the bank, auction proceeds received bank has been utilized directly by bank to repaid Bank Cash Credit Liabilities, Debentures with interest, Electricity Charges, deposit given to Labour Court for Labour Settlement and other related expenses. The documentary evidences for such payments made not available with the Company. The accounting of the above transaction has been done on the basis of correspondence taken place with bank. No confirmations from banks, debenture holders, electricity department or labour court have been received against the proceeds received.

17. The auction proceeds of the Company which were not utilised by bank for payment of any liabilities of the company has been kept by bank. The bank is not providing interest on such amount held.

18. Sales Tax Incentive loan of the Company became payable w.e.f. 4<sup>th</sup> August, 2004 as per terms of its sanction due to closure of factory / business. The liability is shown under the head "Current Liability".

**CONSOLIDATED ACCOUNTS**

The management is of the view that the liability will be settled with the Sales Tax Authority, hence no interest on the loan amount due has been provided in the books of accounts.

19. Security deposit received by the Company from the dealers shown under the head "Current Liability" The management is of the view that Interest on deposit will not be paid hence not provided.
20. There were no amounts due to Small Scale and / or Ancillary Industrial suppliers on account of principal and / or interest as at the end of year. This disclosure is based on the information available with the Company regarding the status of the suppliers as defined under the Interest on Delayed Payments of Small Scale and Ancillary Industrial undertaking Act, 1993.
21. Payments to and provisions for employees includes remuneration paid to executive directors:

	Current Year Rs	Previous Year Rs.
Directors Remuneration	Nil	Nil

22. The Company has closed the business; hence segment reporting is not applicable.
23. **The secondary segment, i.e. 'geographical segments by location of customers' is not applicable.**
24. Related party disclosures:

**Related party relationships:**

- (a) Subsidiary Company Vecron Industries Limited  
(Enterprises where control exists)
- (b) Key management personnel Mr. Vikram Somani  
Mr. Bharat Somani
- Enterprise in which Key management personnel have significant influence SRS Trading & Agencies Private Limited

**Notes:**

- The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and the same have been relied upon by the auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year (except where control exists, in which case the relationships are disclosed irrespective of exact transactions).

**Transactions with related parties of the Company:**

(Amount in Rs.)

Particulars	Related parties			Total
	Subsidiary	Enterprise in which Key management personnel have significant influence	Key management personnel	
Managerial Remuneration	-- (--)	-- (--)	-- (--)	-- (--)
Loan taken	-- (--)	-- (--)	-- (--)	-- (--)
Loan given	-- (--)	25,000 {30,000}	-- (--)	25,000 {30,000}
Loan repaid	-- (--)	75,463 --	-- (--)	75,463 --
Balances receivable as at year end.	43,188,386 (43,188,386)	10,00,000 (10,75,463)	-- (--)	4,41,88,386 (4,42,63,849)

**CONSOLIDATED ACCOUNTS**

Balance payable as at year end	-- (--)	-- (--)	-- (--)	-- (--)
Provision for doubtful loan	43,188,386 (43,188,386)	-- (--)	-- (--)	43,188,386 (43,188,386)

Note :- Figures in brackets pertain to the previous year.

25. Earnings per share as per Consolidated Financial Statement:  
Earnings / (loss) before exceptional item

	Current Year Rs.	Previous Year Rs.
(i) Net profit / (loss) after tax available for equity shareholders	(12,76,446)	(16,72,641)
(ii) Weighted average number of equity shares outstanding during the year	1,402,150	1,402,150
(iii) Basic and diluted earnings / (loss) per share	(0.91)	(1.19)
(iv) Nominal value of share	10.00	10.00
Earnings / (loss) per share after exceptional item		
(i) Net profit / (loss) after tax available for equity shareholders	(16,76,446)	(22,72,641)
(ii) Weighted average number of equity shares outstanding during the year	1,402,150	1,402,150
(iii) Basic and diluted earnings / (loss) per share	(0.91)	1.19
(iv) Nominal value of share	10.00	10.00

26. As per the Accounting standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the deferred tax assets (net) arising during the previous year on account of timing difference. Having regard to the net worth of the Company being fully eroded and the Company is a Sick industrial company within the meaning of SICA and uncertainty as to whether the Company can continue as a going concern, the deferred tax assets / liabilities has not been recognised.

27. In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities are adequate and not in the excess of the amount reasonably stated. The balances in case of sundry creditors, debtors and banks are subject to confirmation and reconciliations. The differences if any, as may arise will be accounted for on receipt of such information / reconciliation.

28. Payment to Auditor as:
- |   |        |
|---|--------|
| (a) Statutory Audit Fees                | 25,870 |
| (b) Tax Audit Fees                      |        |
| (c) Certification and Consultation Fees | 7,500  |

29. Previous year figures have been regrouped and rearranged, wherever necessary.

As per our report of even date attached  
**FOR JAIN MAHESHWARY & CO.**  
Chartered Accountants

Dharmesh Shah  
PARTNER  
M. No.106620  
Mumbai; Dated: 31st May, 2014

For and on behalf of the Board of directors  
G.S. Manasawala (DIN 01267114) - Director  
K.G. Gupta (DIN 00997067) - Director  
Vikram Somani (DIN 00054310) - Director  
Bharat Somani (DIN 00286793) - Executive Director

Mumbai; Dated: 31st May, 2014

CONSOLIDATED ACCOUNTS

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2014

	Note No.	Rs.	As at 31/03/2014 Rs.	Rs.	As at 31/03/2013 Rs.
<b>EQUITY AND LIABILITIES:</b>					
<b>1 Shareholders Fund</b>					
Share capital	1	14,021,500		14,021,500	
Reserves & surplus	2	<u>4,103,016</u>		<u>5,379,462</u>	
			18,124,516		19,400,962
<b>2 Share Application Money Pending Allotment</b>					
<b>3 Non-Current Liabilities</b>					
Long-term borrowings					
Other Long term liabilities					
Long term provisions					
<b>4 Current Liabilities</b>					
Short-term borrowings					
Trade payables	3	3,227,985		3,227,985	
Other current liabilities	4	<u>31,987,036</u>		<u>32,051,316</u>	
Short-term provisions			35,215,021		35,279,301
<b>TOTAL</b>			<u><b>53,339,537</b></u>		<u><b>54,680,263</b></u>
<b>ASSETS</b>					
<b>5 Non-Current Assets</b>					
Fixed Assets					
Tangible Assets	5	10,604,196		10,614,509	
Intangible Assets					
Capital work-in-progress					
Non-Current Investments	6	400,000		1,260,487	
Long Term Loans and Advances	7	<u>3,587,183</u>	14,591,379	<u>4,106,464</u>	15,981,460
<b>6 Current Assets</b>					
Current Investments					
Inventories		-		-	
Trade Receivables	8	-		-	
Cash and bank balances	9	38,745,248		38,698,804	
Short Term Loans and advances			2,909		
Other Current Assets			<u>38,745,248</u>		<u>38,698,804</u>
<b>TOTAL</b>			<u><b>53,339,537</b></u>		<u><b>54,680,263</b></u>

As per our report of even date attached  
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Mumbai; Dated: 31st May, 2014

CONSOLIDATED ACCOUNTS

**CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

	Note NO.	Current Year Rs.	Previous Year Rs.
<b>INCOME</b>			
Revenue from operations		-	-
Other Income	10	215,487	225,564
TOTAL		<u>215,487</u>	<u>225,564</u>
<b>EXPENDITURE</b>			
Cost of materials consumed		-	-
Purchase of finished goods		-	-
(Increase)/Decrease in inventories of finished goods		-	-
Employee benefit expense	11	159,150	135,100
Financial cost		-	-
Depreciation and amortization expense	5	10,313	10,313
Other Expenses	12	1,294,561	1,752,792
TOTAL		<u>1,464,024</u>	<u>1,898,205</u>
<b>PROFIT</b>			
Net profit/(loss) before Tax		(1,248,536)	(1,672,641)
Provision for income tax			
Current Tax		-	-
Tax Provision (Earlier Years)		(27,910)	-
Deferred Tax benefit [Refer note 11 of Schedule 16]		-	-
Net profit/(loss) after tax		<u>(1,276,446)</u>	<u>(1,672,641)</u>
Basic and diluted earnings/(loss) per share before exceptional item		(0.91)	(1.19)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
NOTES ON ACCOUNTS	<b>1 to 30</b>		

As per our report of even date attached  
**FOR JAIN MAHESHWARY & CO.**  
Chartered Accountants

Dharmesh Shah  
PARTNER  
M. No.106620  
Mumbai; Dated: 31st May, 2014

For and on behalf of the Board of directors  
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Bharat Somani (DIN 00286793) - Executive Director

Mumbai; Dated: 31st May, 2014



**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31ST MARCH, 2014**

	2013-14	2012-2013
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/ (loss) before tax and extraordinary items	(1,248,536)	(1,672,641)
<b>ADJUSTMENTS FOR :</b>		
Depreciation	10,313	10,313
Loss / (Profit) on sale of Mutual Fund	312	
Provision for Tax	(27,910)	
Interest income		(48,586)
Dividend income	(402)	(324)
	(17,687)	(38,597)
<b>Operating profit before working capital changes</b>	<b>(1,266,224)</b>	<b>(1,711,238)</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES :</b>		
Short Term Advances	(2,909)	
Trade and other receivables	519,281	(51,009)
Trade payables and other trade liabilities	(64,280)	(884,635)
	452,092	(935,644)
<b>Cash generated from operations</b>	<b>(814,132)</b>	<b>(2,646,882)</b>
Less: Taxes (paid)/ Refund	(814,132)	-
<b>Net cash from operating activities</b>	<b>(814,132)</b>	<b>(2,646,882)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Investment	860,175	1,739,513
Sale / (Purchase )of fixed assets	-	
Dividend received	402	324
Interest		48,586
<b>Net cash from investing activities</b>	<b>860,577</b>	<b>1,788,423</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash used in financing activities</b>	-	-
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>46,442</b>	<b>(858,452)</b>
<b>Cash and cash equivalents - Opening balance</b>	<b>38,698,804</b>	<b>39,557,256</b>
<b>Cash and cash equivalents - Closing balance</b>	<b>38,745,248</b>	<b>38,698,804</b>
<b>Net increase/(decrease) as disclosed above</b>	<b>46,442</b>	<b>(858,452)</b>

SIGNIFICANT ACCOUNTING POLICIES  
NOTES ON ACCOUNTS

As per our report of even date attached  
**FOR JAIN MAHESHWARY & CO.**  
Chartered Accountants

Dharmesh Shah  
PARTNER  
M. No.106620  
Mumbai; Dated: 31st May, 2014

For and on behalf of the Board of directors  
G.S. Manasawala (DIN 01267114) - Director  
K.G. Gupta (DIN 00997067) - Director  
Vikram Somani (DIN 00054310) - Director  
Bharat Somani (DIN 00286793) - Executive Director

Mumbai; Dated: 31st May, 2014

CONSOLIDATED ACCOUNTS

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2014**

	<u>As at 31/03/2014 Rs.</u>	<u>As at 31/03/2013 Rs.</u>
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
50,00,000 Equity shares of Rs. 10/- each	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, subscribed &amp; paid-up</b>		
14,02,150 Equity shares of Rs. 10/- each fully paid-up (includes 14,01,800 equity shares of Rs.10/- each fully paid up issued for consideration other than cash)	<u>14,021,500</u> <u>14,021,500</u>	<u>14,021,500</u> <u>14,021,500</u>
<b>Details of Equity Shares held by each shareholder holding more than 5% shares:</b>		
Particulars	31.03.2014	31.03.2013
SRS Trading and Agencies P Ltd	40.35%	40.35%
There are no new shares issued during the year under review.		
<b>2 RESERVES &amp; SURPLUS</b>		
<b>Share premium account</b>	11,734,600	11,734,600
<b>Capital Reserve</b>	3,200,000	3,200,000
<b>Revaluation Reserve</b>	72,429,824	72,429,824
<b>Profit and Loss Account</b>		
Opening Balance	(81,984,962)	(80,312,321)
Add: Profit / (Loss) for the year	<u>(1,276,446)</u>	<u>(1,672,641)</u>
<b>TOTAL</b>	<u>4,103,016</u>	<u>5,379,462</u>
<b>3 TRADE PAYABLE</b>	<u>3,227,985</u>	<u>3,227,985</u>
<b>4 OTHER CURRENT LIABILITIES</b>		
Security deposits from dealers - Matured	1,042,160	1,042,160
Interest free sales-tax incentive loan	25,565,564	25,565,564
Interest accrued and due on loan and deposits	83,373	83,373
Interest accrued and due on sales tax loan	2,721,315	2,721,315
Advance from customers	519,221	519,221
Other payable (includes liability for expenses and deposits)	2,055,403	2,119,683
<b>TOTAL</b>	<u>31,987,036</u>	<u>32,051,316</u>

CONSOLIDATED ACCOUNTS

**NOTE 5 FIXED ASSETS**

SR. No.	DESCRIPTION	GROSS BLOCK (AT COST/ BOOK VAL)				DEPRECIATION				NET BLOCK	
		As at 01/04/2013 Rs.	Additions Rs.	Deductions Rs.	As at 31/03/2014 Rs.	Up to 31/03/2014 Rs.	For the year Rs.	Deductions Rs.	Up to 31/03/2014 Rs.	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
1	Land (Freehold)	10,535,247	-	-	10,535,247	-	-	-	-	10,535,247	10,535,247
2	Air Conditioner	42,368	-	-	42,368	5,542	2,682	-	8,224	34,144	36,826
3	Office and Other Equipment	292,847	-	-	292,847	252,621	5,930	-	258,551	34,296	40,226
4	Furniture and Fixture	723,111	-	-	723,111	720,901	1,701	-	722,602	509	2,210
	<b>TOTAL</b>	<b>11,593,573</b>	<b>-</b>	<b>-</b>	<b>11,593,573</b>	<b>979,064</b>	<b>10,313</b>	<b>-</b>	<b>989,377</b>	<b>10,604,196</b>	<b>10,614,509</b>
	Previous year	11,593,573	-	-	11,593,573	968,751	10,313	-	979,064	10,614,509	10,624,822

**6 NON-CURRENT INVESTMENTS**  
(Long-term, at cost)

**Investments in subsidiary company (Unquoted)**

In Vecron Industries Ltd. - equity shares of Rs.10/- each, fully paid-up 1,387,700 27,000,000 27,000,000

**Other than trade**

**Equity shares of Rs.10/- each fully paid up (Quoted)**

Adhunik Synthetics Limited	500	25,000	25,000
Aluminium Industries Limited	187,500	1,875,000	1,875,000
Conway Printers Limited	5,000	250,000	250,000
Gujarat Composite Limited	4,960	-	-
Titaghur Paper Mills Company Limited	20	850	850
	<b>1,585,680</b>	<b>29,150,850</b>	<b>29,150,850</b>

DSP Bench Mark Equity Fund - Growth		500,000
Franklin India Bluechip Fund	400,000	500,000
Reliance Growth Fund - Retail Plan		260,487

Less: Provision for permanent diminution in the value of long term investments. (29,150,850) (29,150,850)

TOTAL **400,000** **1,260,487**

**Note :**

Aggregate Book Value (net of provisions)	<b>Quoted</b>	<b>1,260,040</b>	1,260,487
Aggregate Market Value of quoted investments		<b>1,260,040</b>	1,260,487

**CONSOLIDATED ACCOUNTS**

	Rs.	As at 31/03/2014 Rs.	Rs.	As at 31/03/2013 Rs.
<b>7 LONG TERM LOANS AND ADVANCES</b>				
(Unsecured - considered good, unless otherwise stated)				
Loans to subsidiary company (considered doubtful)	<b>43,188,386</b>		43,188,386	
Loans to subsidiary company (considered good)	-	<b>43,188,386</b>	-	43,188,386
Advances recoverable in cash or in kind or for value to be received		<b>(12,238)</b>		(39,465)
Other Advances		<b>1,000,000</b>		1,075,463
Deposits		<b>1,444,800</b>		1,680,000
Advance income tax and tax deducted at source		<b>1,154,627</b>		1,390,472
<b>TOTAL</b>		<b>46,775,575</b>		47,294,856
Less: Provision for doubtful loan to subsidiary company C/f		<b>(43,188,386)</b>		(43,188,386)
		<b>3,587,183</b>		4,106,464
<b>8 TRADE RECEIVABLES</b>				
<b>(Unsecured)</b>				
<u>Considered doubtful</u>				
Debts for a period exceeding six months	-		846,501	
Other debts	-	-	-	846,501
Less: provision for doubtful debts		-		846,501
<b>TOTAL</b>		<b>-</b>		<b>-</b>
<b>9 CASH AND BANK BALANCES</b>				
Cash-in-hand		<b>72,802</b>		72,926
(including cheques in hand Rs. Nil, previous year Rs.Nil)				
Balances with Scheduled Banks				
- In current accounts		<b>38,499,913</b>		38,464,983
- In Unclaimed dividend account				
- In fixed deposit account		<b>172,533</b>		160,895
(Refer Note 17)				
<b>TOTAL</b>		<b>38,745,248</b>		38,698,804
<b>10 OTHER INCOME</b>				
<u>Interest &amp; Other Income from:</u>				
FDR & Others		<b>14,547</b>		48,586
Dividend Income		<b>402</b>		324
Profit on Sale of Mutual Fund		<b>(312)</b>		2,824
Provision no Longer Required		<b>200,850</b>		173,830
<b>TOTAL</b>		<b>215,487</b>		225,564

**CONSOLIDATED ACCOUNTS**

	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
<b>11 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	<u>159,150</u>	<u>135,100</u>
	<u>159,150</u>	<u>135,100</u>
<b>12 OTHER EXPENSES</b>		
Conveyance	2,688	-
Repairs & Maintenance to Others	6,426	17,504
Rates,taxes and fees	-	15,480
<u>Payment to auditors</u>		
- Audit Fees	10,870	33,370
Printing & Stationary	18,424	15,974
Postage & telegram	4,650	3,640
Power and Fuel	35,469	-
Selling expenses	56,833	53,172
Storage Charges	240,000	-
Telephone expenses	180,178	169,124
Legal and Professional Charges	486,846	297,321
Bank Charges	376	12,913
Motor car expenses	179,900	204,267
Miscellaneous expenses	55,047	101,406
Travelling Expenses	-	5,583
Listing Fees	16,854	823,037
<b>TOTAL</b>	<u><b>1,294,561</b></u>	<u><b>1,752,792</b></u>

As per our report of even date attached  
**FOR JAIN MAHESHWARY & CO.**  
Chartered Accountants

Dharmesh Shah  
PARTNER  
M. No.106620  
Mumbai; Dated: 31st May, 2014

For and on behalf of the Board of directors  
G.S. Manasawala (DIN 01267114) - Director  
K.G. Gupta (DIN 00997067) - Director  
Vikram Somani (DIN 00054310) - Director  
Bharat Somani (DIN 00286793) - Executive Director

Mumbai; Dated: 31st May, 2014

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**SOMA PAPERS & INDUSTRIES LTD**

Registered Office at G. D .Somani Marg, Panchak, Nashik Road – 422 101

CIN : L21093MH1991PLC064085

**ATTENDANCE SLIP**  
**23<sup>RD</sup> ANNUAL GENERAL MEETING**

Reg. Folio / DP & Client No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I certify that I am a registered Shareholder / Proxy for the registered shareholder of the Company. I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company at G. D .Somani Marg, Panchak, Nashik Road – 422 101 on 28<sup>th</sup> August, 2014 at 11.00 am.

Member's Name \_\_\_\_\_

\_\_\_\_\_  
Member's / Proxy's Signature

Proxy's Name \_\_\_\_\_

**Form No. MGT-11**

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Registered Office at G. D .Somani Marg, Panchak, Nashik Road – 422 101

CIN : L21093MH1991PLC064085

**PROXY FORM**

**(Pursuant to Section 105 (6) of the Companies Act, 2013 and rules 19(3) of the Companies Management and Administration Rules, 2014)**

Name of the member(s) \_\_\_\_\_

Registered Address : \_\_\_\_\_

Email ID : \_\_\_\_\_

Folio No. / Client ID. \_\_\_\_\_ DP ID. \_\_\_\_\_

I / We \_\_\_\_\_ of \_\_\_\_\_ being the member (s) holding \_\_\_\_\_ Shares hereby appoint,

Mr./Mrs./Ms. \_\_\_\_\_ of \_\_\_\_\_

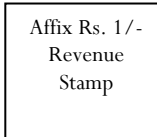
Or failing him Mr/Mrs/Ms. \_\_\_\_\_ Signature \_\_\_\_\_

Or failing him Mr/Mrs /Ms. \_\_\_\_\_ Signature \_\_\_\_\_

As my/our proxy to attend and vote for my/our behalf at the 23<sup>rd</sup> ANNUAL GENERAL MEETING of the Company, to be held on 28<sup>th</sup> August, 2014 at 11.00 am. and at any other adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Proxy holder \_\_\_\_\_



\_\_\_\_\_  
Signature

**Note :** The Proxy, stamped and signed by the appointer or his attorney duly authorised in writing or if the appointer is body corporate, under the seal or signed by an attorney duly authorised by it, must be deposited at the Registered Office at G. D. Somani Marg, Panchak, Nashik Road – 422 101, Maharashtra, not less than 48 hours before the time for holding the meeting.

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